



# INVESTOR PRESENTATION

July 2022



**Financial Information:** The financial information related to West Fraser contained in this Presentation is derived from our Q2 2022 Interim Financial Statements, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and is discussed in our Managements’ Discussion and Analysis (“MD&A”) for the three and six months ended June 30, 2022 (our “Q2 2022 MD&A”). Additional information is also discussed in our MD&A for year ended December 31, 2021 (our “2021 Annual MD&A”). This Presentation uses various Non-GAAP and other specified financial measures, including “Adjusted EBITDA”, “Adjusted EBITDA by segment”, “Adjusted EBITDA margin”, “net debt to capital”, and “expected capital expenditures”. Additional information relating to the use of these Non-GAAP and other specified financial measures, including required reconciliations, is set out in the section of our Q2 2022 MD&A entitled “Non-GAAP and Other Specified Financial Measures”. Our Q2 2022 MD&A and 2021 Annual MD&A are available on the Company’s website at [www.westfraser.com](http://www.westfraser.com), on SEDAR at [www.sedar.com](http://www.sedar.com) and on the EDGAR section of the SEC website at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml).

**Forward Looking Statements:** This Presentation includes statements and information that constitutes “forward-looking information” within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of United States securities laws (collectively, “forward-looking statements”). Forward-looking statements include statements that are forward-looking or predictive in nature and are dependent upon or refer to future events or conditions. These forward-looking statements generally include statements which reflect management’s expectations regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of West Fraser and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, Forward-looking statements are included in the following slides in this Presentation:

• 2022 Outlook	• Summary	• Reasons to Invest in West Fraser	• Lower-variability Specialty OSB Business
• Realizing Growth and Geographic Expansion in Europe	• U.S. Housing Start Estimates	• U.S. Leading Indicator of Remodeling Activity	• Mass Timber
• North American OSB Capacity	• West Fraser’s Growth Strategy	• Acquisition Update – Allendale OSB Mill	• Acquisition Update – Angelina Sawmill
• 2021 ESG Highlights	• 2021 GHG Emissions & SBTi Targets	• Analyst Estimates	• Estimated Earnings Sensitivity

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts, and other forward-looking statements will not occur. Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: (1) assumptions in connection with the economic and financial conditions in the U.S., Canada, Europe and globally and consequential demand for our products, including the impact of the conflict in the Ukraine; (2) continued increases in interest rates and inflation could impact housing affordability and repair and remodeling demand, which could reduce demand for our products; (3) global supply chain issues may result in increases to our costs and may contribute to a reduction in near-term demand for our products; (4) risks inherent in our product concentration and cyclical nature; (5) effects of competition and product pricing pressures, including continued access to log supply and fibre resources at competitive prices and the impact of third-party certification standards; (6) effects of variations in the price and availability of manufacturing inputs, including energy, resin and other input costs, and the impact of inflationary pressures on the costs of these manufacturing costs, including increases in stumpage fees and log costs; (7) availability and costs of transportation services, including truck and rail services, and port facilities, and impacts on transportation services of wildfires and severe weather events, and the impacts of increased energy prices on costs of transportation services and the timing of the resolution of transportation constraints in Western Canada; (8) transportation constraints may continue to negatively impact our ability to meet projected shipment volumes; (9) the timing of our planned capital investments may be delayed and the ultimate costs of these investments may be increased as a result of inflation; (10) various events that could disrupt operations, including natural, man-made or catastrophic events, including wildfires and any state of emergency and/or evacuation orders and ongoing relations with employees; (11) risks inherent to customer dependence; (12) impact of future cross border trade rulings or agreements; (13) implementation of important strategic initiatives and identification, completion and integration of acquisitions; (14) impact of changes to, or non-compliance with, environmental or other regulations; (15) the impact of the COVID-19 pandemic on our operations and on customer demand, supply and distribution and other factors; (16) government restrictions, standards or regulations intended to reduce greenhouse gas emissions and our ability to achieve our SBTi commitment for the reduction of greenhouse gases as planned; (17) changes in government policy and regulation and the impact of these actions on our timber supply; (18) impact of weather and climate change on our operations or the operations or demand of our suppliers and customers; (19) ability to implement new or upgraded information technology infrastructure; (20) impact of information technology service disruptions or failures; (21) impact of any product liability claims in excess of insurance coverage; (22) risks inherent to a capital intensive industry; (23) impact of future outcomes of tax exposures; (24) potential future changes in tax laws, including tax rates; (25) effects of currency exposures and exchange rate fluctuations; (26) future operating costs; (27) availability of financing, bank lines, securitization programs and/or other means of liquidity; (28) continued integration of the Norbord business; (29) continued access to timber supply in the traditional territories of Indigenous Nations; (30) the risks described in our 2021 Annual MD&A, as supplemented by our Q2 2022 MD&A; and (31) other risks detailed from time-to-time in our annual information forms, annual reports, MD&A, quarterly reports and material change reports filed with and furnished to securities regulators.

In addition, actual outcomes and results of these statements will depend on a number of factors, including those matters described above, and may differ materially from those anticipated or projected. This list of important factors affecting forward-looking statements is not exhaustive, and reference should be made to the other factors discussed in public filings with securities regulatory authorities. Accordingly, readers should exercise caution in relying upon forward-looking statements, and we undertake no obligation to update or revise any forward-looking statements publicly, whether written or oral, to reflect subsequent events or circumstances except as required by applicable securities laws.



# Q2 2022 Earnings Summary

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# Consolidated Financial Results

US\$ Millions Adjusted EBITDA*	Q2-22	Q1-22
Lumber	\$ 449	\$ 796
EWP – North America	623	730
Pulp & Paper	(3)	(15)
EWP – Europe	54	78
Corporate/Other	1	3
<b>Total</b>	<b>\$ 1,124</b>	<b>\$ 1,592</b>
Adjusted EBITDA margin**	<b>39%</b>	<b>51%</b>

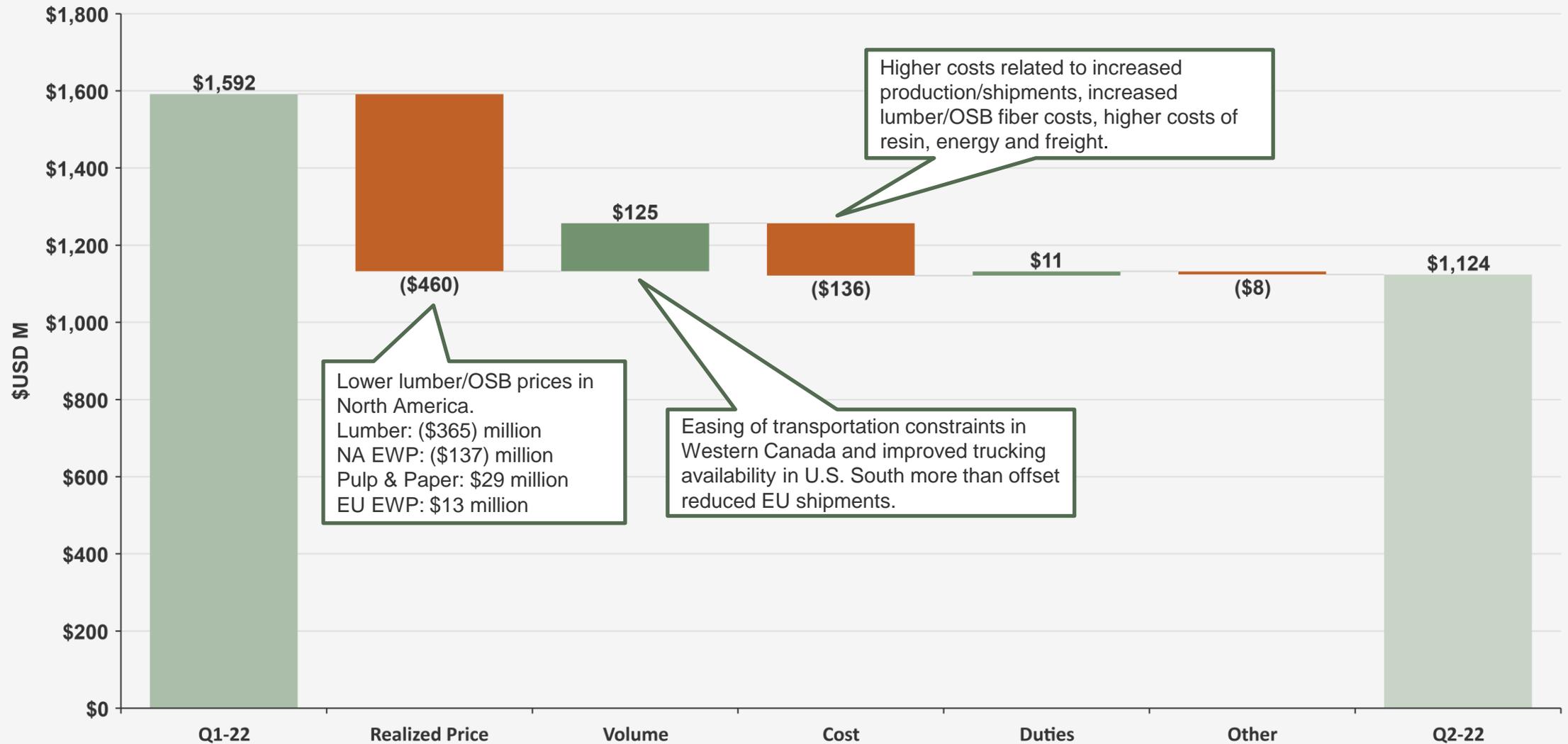
US\$ Millions (except EPS)	Q2-22	Q1-22
Sales	\$ 2,887	\$ 3,110
Costs and expenses	(1,906)	(1,683)
<b>Operating earnings</b>	<b>981</b>	<b>1,427</b>
Finance expense	(3)	(7)
Other	24	-
<b>Earnings before Tax</b>	<b>\$ 1,002</b>	<b>\$ 1,420</b>
Tax provision	(240)	(330)
<b>Earnings</b>	<b>\$ 762</b>	<b>\$ 1,090</b>
<b>Diluted EPS</b>	<b>\$7.59</b>	<b>\$10.25</b>

\* Adjusted EBITDA and adjusted EBITDA by segment are non-GAAP financial measures. See the "Non-GAAP and Other Specified Financial Measures" section of our Q2 2022 MD&A for more information on these measures, including reconciliations to the most directly comparable IFRS measures.

\*\* Adjusted EBITDA margin is calculated as adjusted EBITDA divided by sales. See slide 53 for more information on this measure.



# Q2 Consolidated Adjusted EBITDA Reconciliation



\* Note: Reconciliation items are rounded to the nearest million.



## Q2-22 versus Q1-22

<i>US\$ millions unless otherwise indicated</i>	Q2 2022	Q1 2022	Change	Comments
Lumber Shipments (MMfbm)	1,599	1,369	+230	Higher SPF and SYP shipments owing to easing of transportation constraints in Western Canada and improved availability of truck services, respectively
NA OSB Shipments (MMsf 3/8")	1,568	1,429	+139	Easing of the severity of railcar shortages impacting Western Canada and Ontario production locations
EU OSB Shipments (MMsf 3/8")	278	296	(18)	Reduction in operating schedules to balance inventory as sales demand in Europe softened
Adjusted EBITDA	\$1,124	\$1,592	(\$468)	Lower North American lumber/OSB prices, offset in part by increased shipments, coupled with higher log and other input costs
Cash flow from operations	\$1,064	\$563	\$501	Lower earnings more than offset by seasonal decrease in working capital
Capital Expenditure	\$88	\$93	(\$5)	Continuing to execute on strategic capital
Net Debt/(Cash)*	(\$746)	(\$1,288)	\$542	Higher cash flow from operations more than offset by return of capital through substantial issuer bid; significant financial flexibility maintained
Net Debt to Total Capital*	(10%)	(18%)	+8%	
Cumulative duties on deposit	\$749	\$706	+\$43	Duty deposits continue to accumulate

***Strong results, execution and financial flexibility***

\* Net debt/(cash) is calculated as total debt less cash and cash equivalents. Net debt to total capital is a non-GAAP capital management measure calculated by dividing net debt by total capital, expressed as a percentage.



# 2022 Outlook

US\$ unless indicated otherwise		2022	2021	Commentary
SPF Shipments (MMfbm)		2,800 – 3,000	3,176	Projecting to be closer to the bottom end of the guidance range as transportation challenges remain more acute and of longer duration than originally expected.
SYP Shipments (MMfbm)		3,000 – 3,200	2,649	Gain from capital program and execute on investments, including new Angelina mill production.
N.A. OSB Shipments* (MMsf 3/8")		5,900 – 6,200	5,674	Reducing original guidance on persisting transportation challenges and signs of near-term product demand slowing.
Europe OSB Shipments* (MMsf 3/8")		1,000 – 1,200	1,010	Reducing original guidance on signs of near-term product demand slowing.
Capital Expenditures** (M)		\$500 – \$600	\$401***	Given rate of capital spending to-date, largely due to supply chain constraints, expecting to be closer to the bottom end of the range.
Costs	Fiber	↔	↑	Given the recent decline in lumber/OSB prices, relatively elevated fiber costs in Q2 2022 are expected to moderate later in the year.
	Transportation	↑	↑	
	Labour	↑	↑	Inflationary pressures within supply chains, including logistics, labour and chemicals, are expected to persist near-term.
	Resin	↑	↑	

## *Increased capital program in support of productivity, reliability and growth*

\* 2021 N.A. and Europe OSB shipments capture shipments for the period after the Norbord acquisition.

\*\* Capital Expenditures is a supplemental financial measure that represents our best estimate of the amount of cash outflows relating to additions to capital assets for the year based on our current outlook.

\*\*\* 2021 Capital Expenditures provided above do not include the asset acquisition of the idled OSB mill near Allendale, SC for \$276 million.



# Summary

## Q2 2022 Recap

- ✓ Continued to manage operational impact from ongoing transportation challenges in Western Canada
- ✓ Continued strength in liquidity
- ✓ Continuing to move ahead with additional strategic capital
- ✓ Repurchased 16.0 million WFG shares for \$1.48 billion
- ✓ Raised quarterly dividend to \$0.30 from \$0.25 per share

## Looking Forward

- ✓ Facing persistent transportation challenges though longer-term fundamentals for wood product demand remain favourable
- ✓ Ongoing focus on operational excellence and operationalizing the benefits of strategic capital
- ✓ Continue to ramp up Dudley, Chambord, Inverness Phase 2, Genk, Angelina and continue investing activities at Allendale mill
- ✓ Enhance ESG disclosure
- ✓ Convert to Unbleached Kraft Pulp (“UKP”) production at Hinton Pulp mill

***Continued transformation into a leading global wood products company***



# Why Investors Should Own West Fraser Shares

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# Reasons to Invest in West Fraser Timber Co.

## One of the world's largest producers of sustainable wood-based building products



Offers **financial resilience** through a portfolio that is **product and geographically diverse**



Serves markets with **strong fundamentals**



Has a track record of **disciplined and balanced capital allocation**



Has the **scope, scale, and expertise** to unlock **further growth**



Is positioned to benefit from **strong ESG and sustainability fundamentals**



Has an **attractive record of creating shareholder value**



# Resilience from Product and Geographic Diversity

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# Product & Geographic Diversification



## Lumber 34 locations

SPF 3.4 Bfbm

SYP 3.6 Bfbm

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Total 7.0 Bfbm



## North America EWP 19 locations

OSB: 7,360 MMsf 3/8"

Plywood: 860 MMsf 3/8"

MDF: 250 MMsf 3/4"

LVL: 3.0 MMcf



## Pulp, Paper & Energy 5 locations

NBSK: 520 Mtonnes

BCTMP: 690 Mtonnes

Newsprint: 135 Mtonnes

Energy: 870 GWhrs



## UK and Europe EWP 4 locations

OSB 1,505 MMsf 3/8"

Particleboard 565 MMsf 3/8"

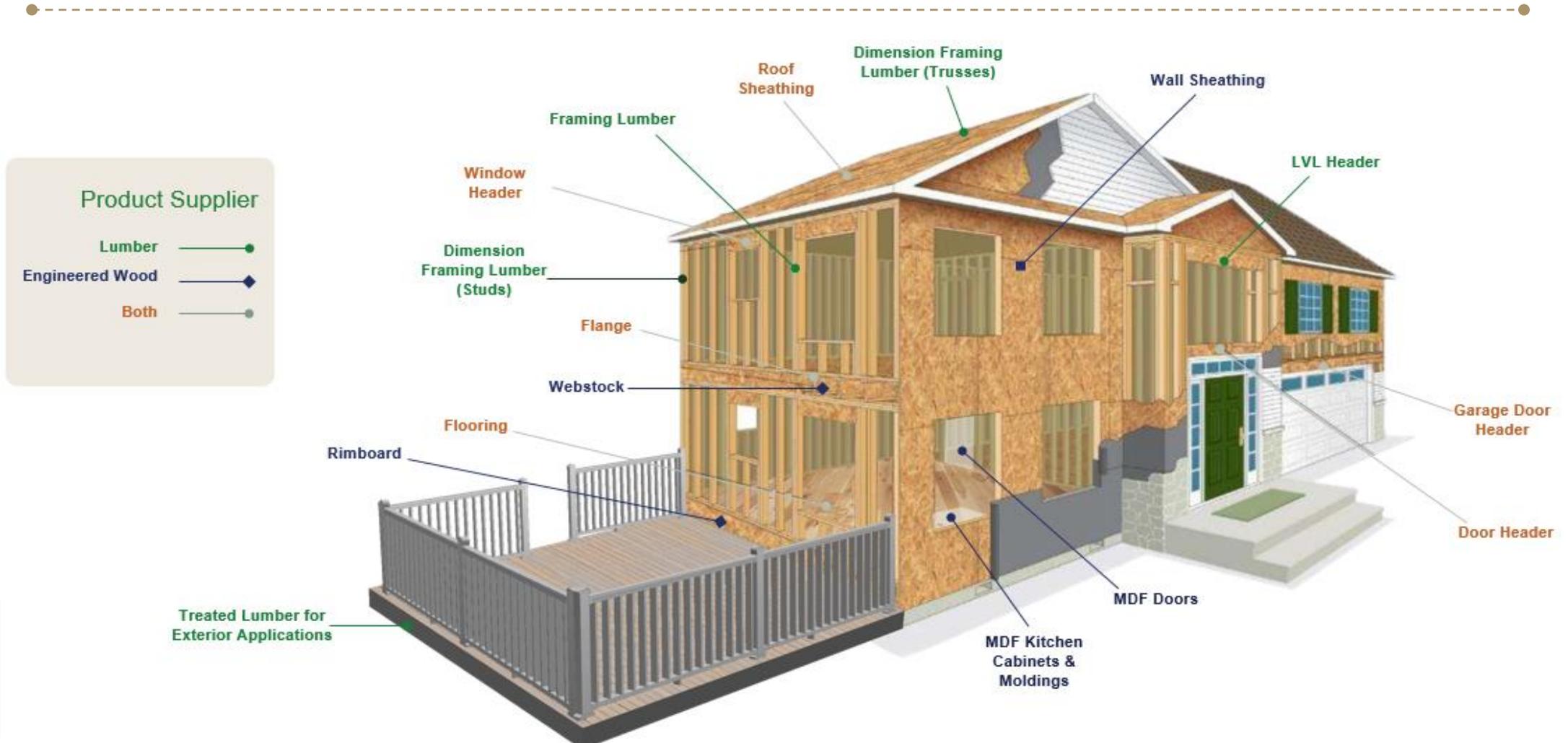
MDF 380 MMsf 3/8"



*Portfolio diversified across products and regions*



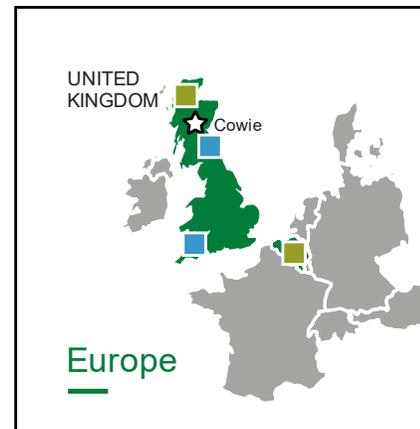
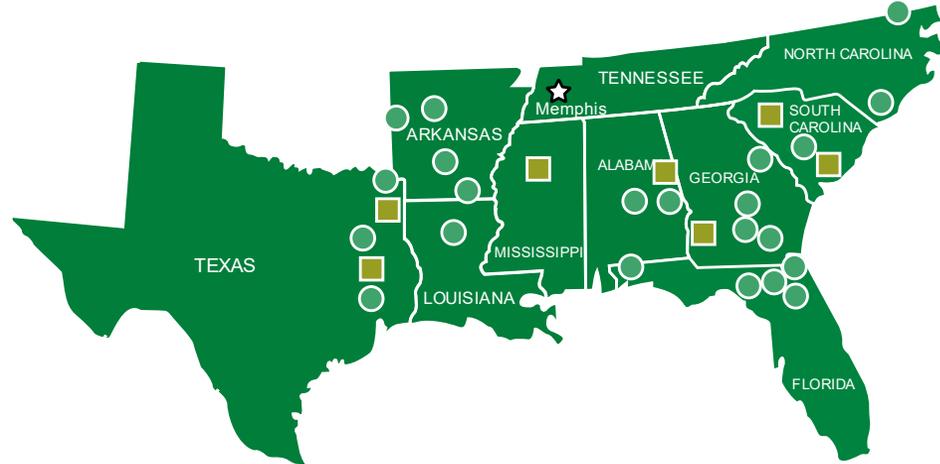
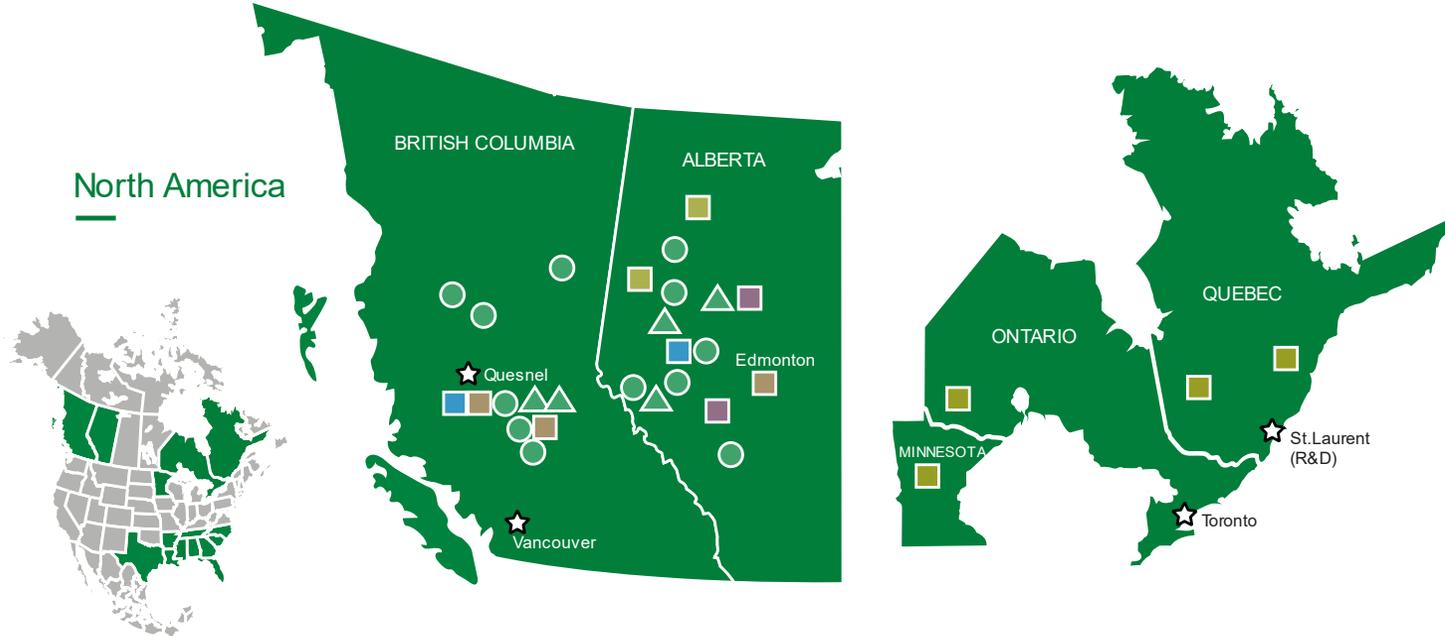
# More Relevant, Efficient and Valuable to Principal Homebuilder, Building Construction, and Pro-Dealer Customer Segments





# Operating Footprint on Two Continents

- ☆ CORPORATE OFFICES
- LUMBER
- ▲ PULP & NEWSPRINT
- ENGINEERED WOOD
- PLYWOOD
- MDF, ParticleBoard & Furniture
- VENEER & LVL
- OSB

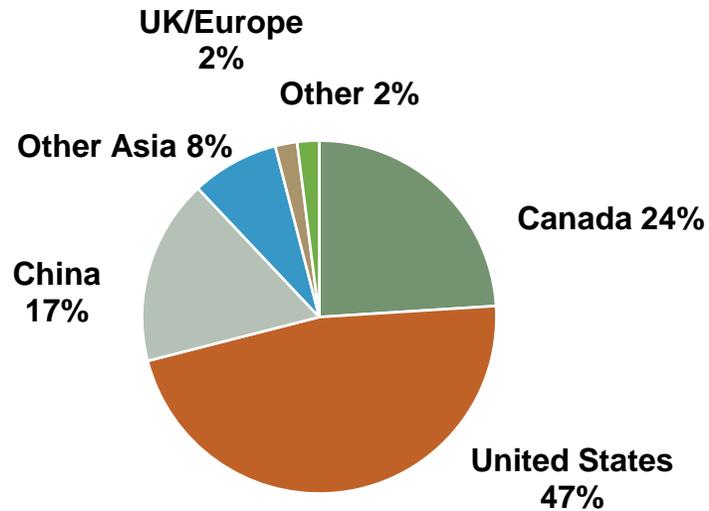




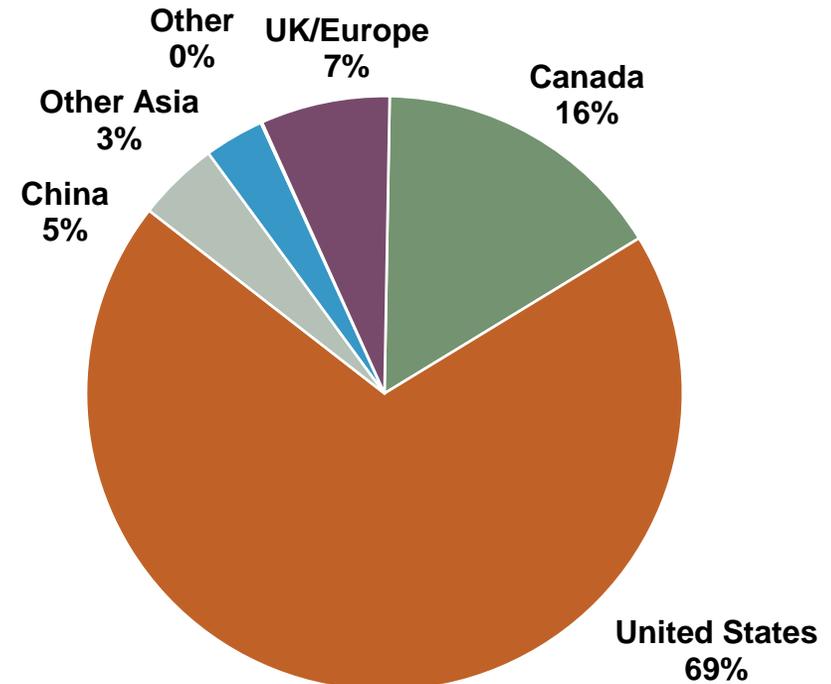
# Regionally Diversified West Fraser Revenue Mix\*

- Expanding exposure to growth markets tied to U.S. housing
- Addition of Norbord has expanded Europe exposure to be nearly 10% of 2021 revenue

**2011: USD \$2.8B\*\***



**2021: USD \$10.5B**



\* Revenue distribution is based on location of product delivery.

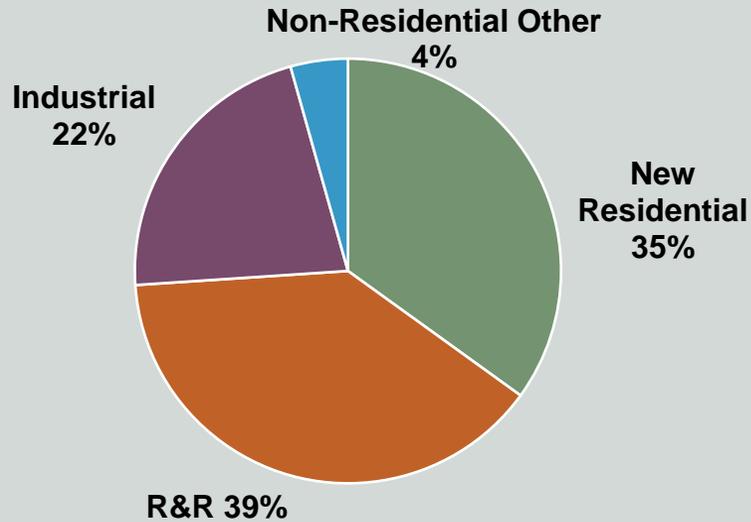
\*\* Revenue converted to USD from CAD using 1.011 average USD per CAD FX rate.



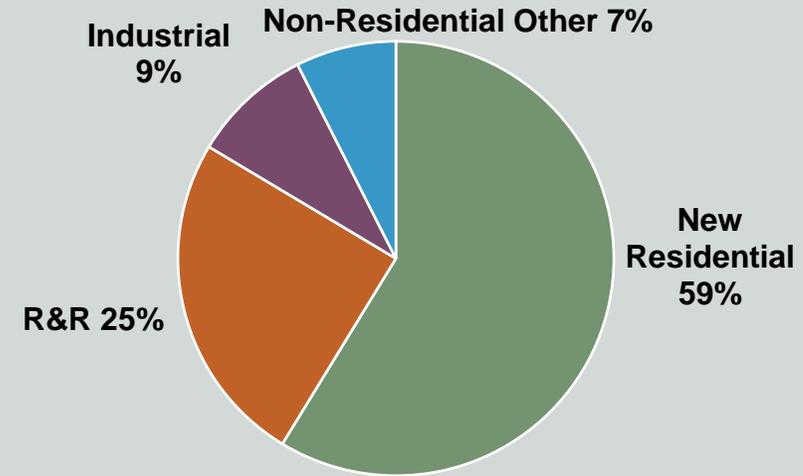


# Diverse Industry End-Use Demand with Majority Driven by New Residential and Lower-Volatility R&R Markets

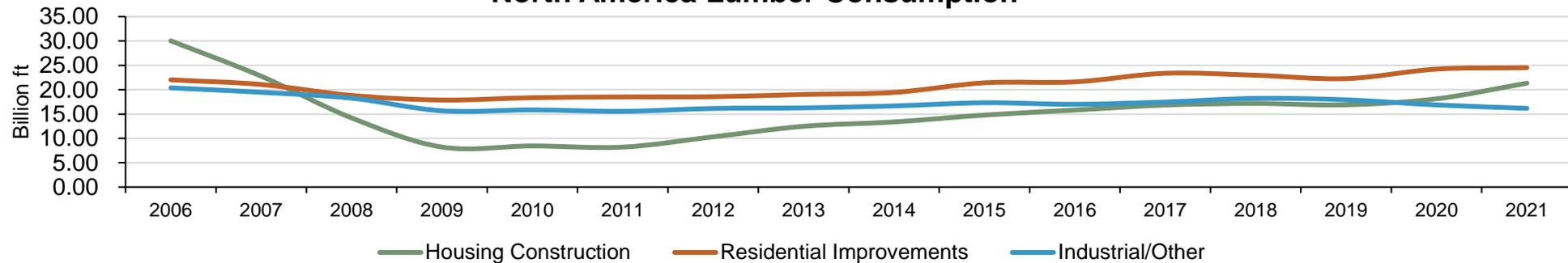
### North America Lumber End Use 2021



### North America Structural Panel End Use 2021



### North America Lumber Consumption



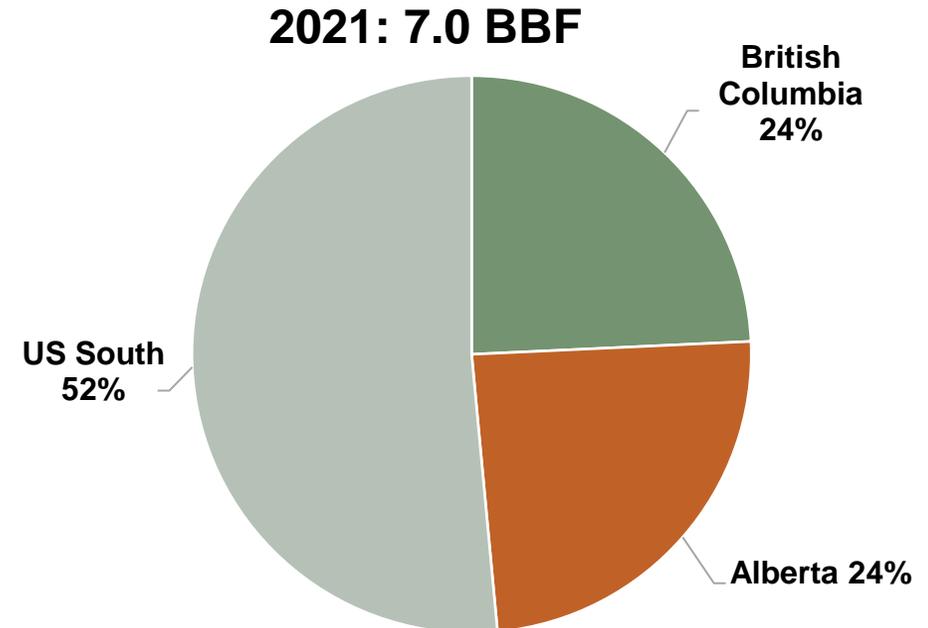
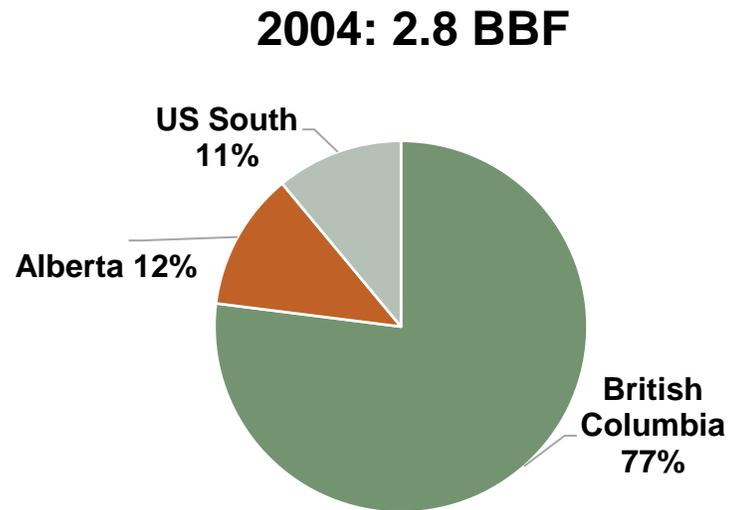
Source: FEA





# Shifting West Fraser Lumber Capacity to Lower-risk Regions

- US South growth to ~52% of capacity (from ~11% in 2004)
  - Lower-cost region
  - Not subject to US trade risk
- Exposure to higher-cost BC fiber reduced, now ~24% of capacity (from ~77% in 2004)



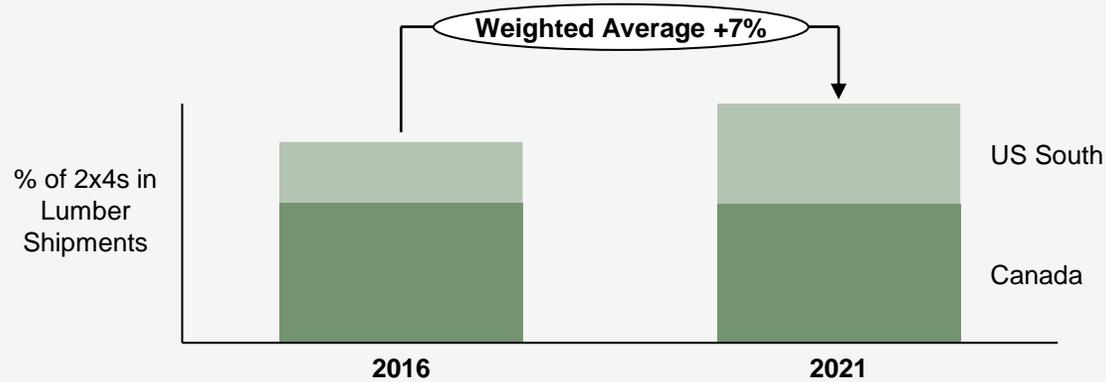
Source: West Fraser



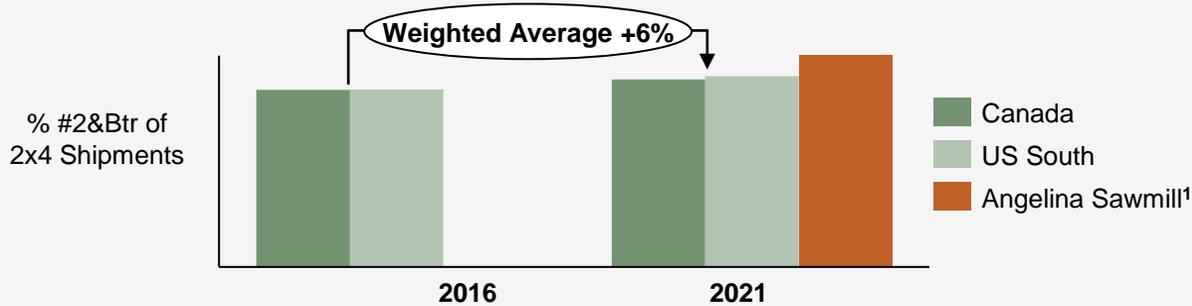


# Improving Mix of Lumber Products

## U.S. South is Increasing Mix of 2x4s...



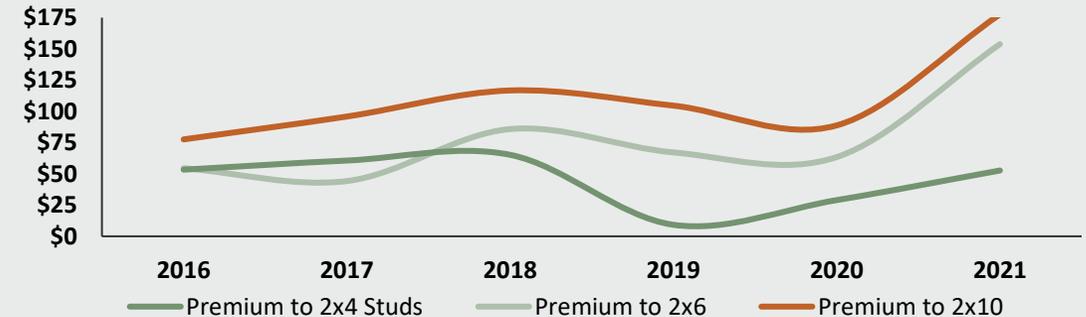
## ...and Improving Mix of Higher Grade 2x4s



Source: West Fraser analysis

- West Fraser pursued a U.S. south expansion strategy given expectations of medium- to long-term fiber supply constraints in B.C.
- B.C was historically a heavy producer of 2x4s, suggesting industry 2x4 shortages under a U.S. housing recovery scenario
- Acquisitions in the U.S. – Gilman (2017) and Angelina (2021) – increase value through a greater mix of 2x4s and higher mix of premium grades
- Additional growth in higher value products achieved through investments in planer modernizations, automatic grading machines, and upgraded continuous drying kiln technologies

## SYP 2x4 #2&Btr Price Premiums per Mfbm



Source: FEA

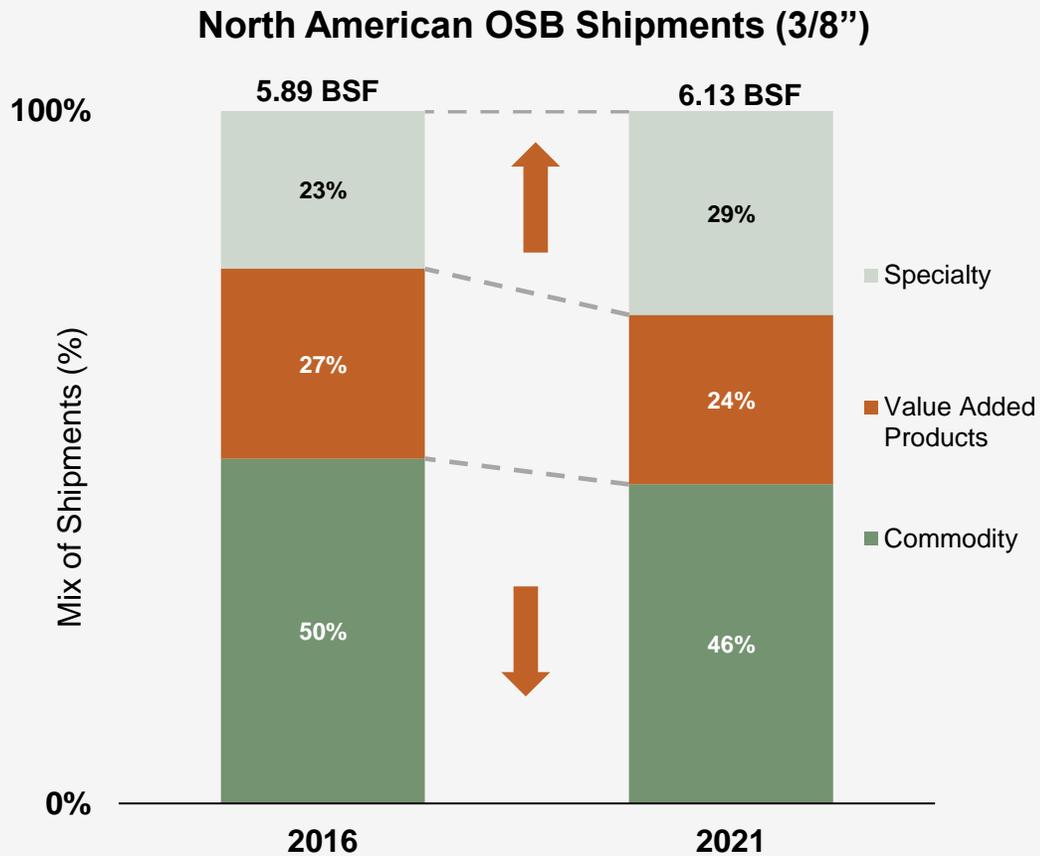


**U.S. South expansion strategy focused on higher value lumber products**

<sup>1</sup> The Angelina sawmill acquisition was completed on December 1, 2021



# Lower-variability Specialty OSB Business



- Specialty OSB products include products sold to industrial and export markets
- Industrial customers use OSB in their production processes, such as for upholstered furniture, transportation applications and i-joint manufacturing
- Specialty OSB pricing is generally less volatile, providing more stable margins through the cycle

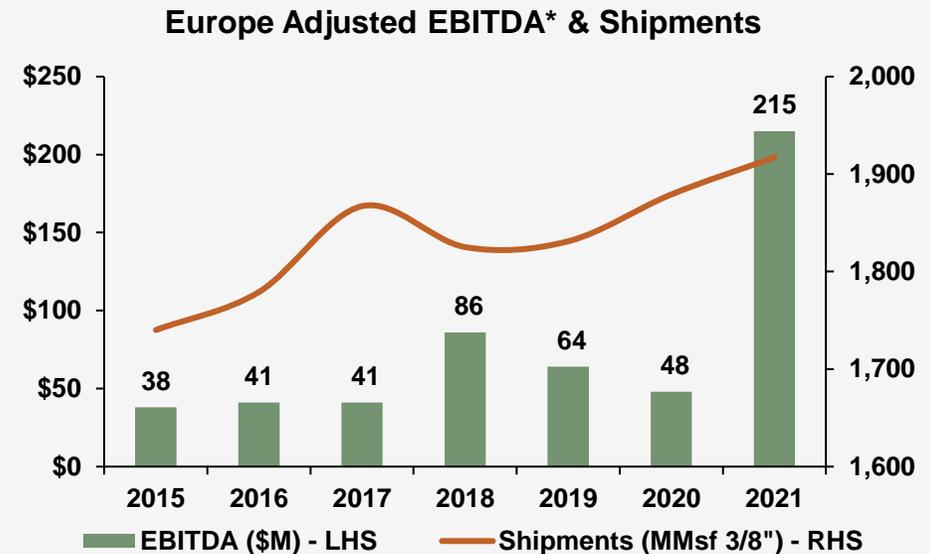
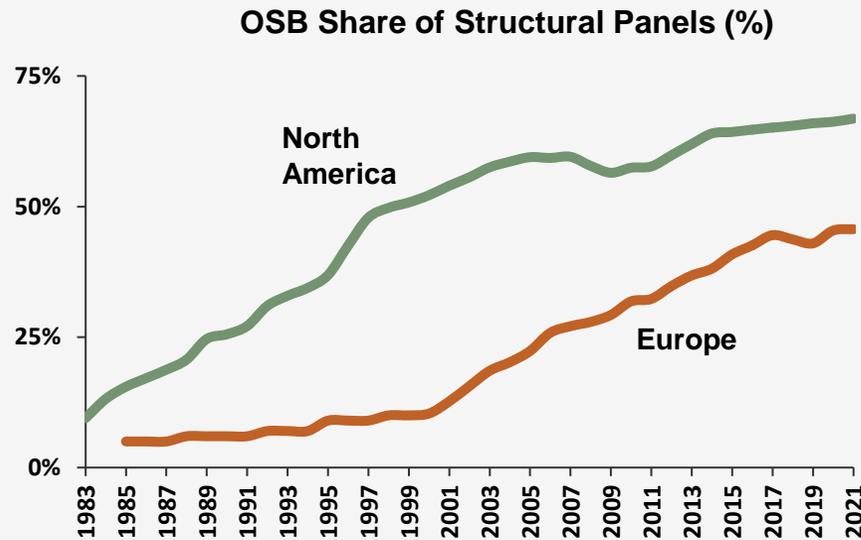


*Focus on expanding mix of lower-variability Specialty business*



# Realizing Growth and Geographic Diversification in Europe

- Europe EWP is driven by panel demand in the UK and Europe, which is de-linked from North American markets, tending to generate more stable results
- Strong European panel prices and increasing OSB shipments from the Inverness expansion drove record results in 2021
- Future shipment growth is expected from the ramp-up of the Inverness Phase 2 investment, ramping of the expanded Genk mill and a continuation of the substitution trend of OSB for imported plywood



Source: European Panel Federation and West Fraser estimates

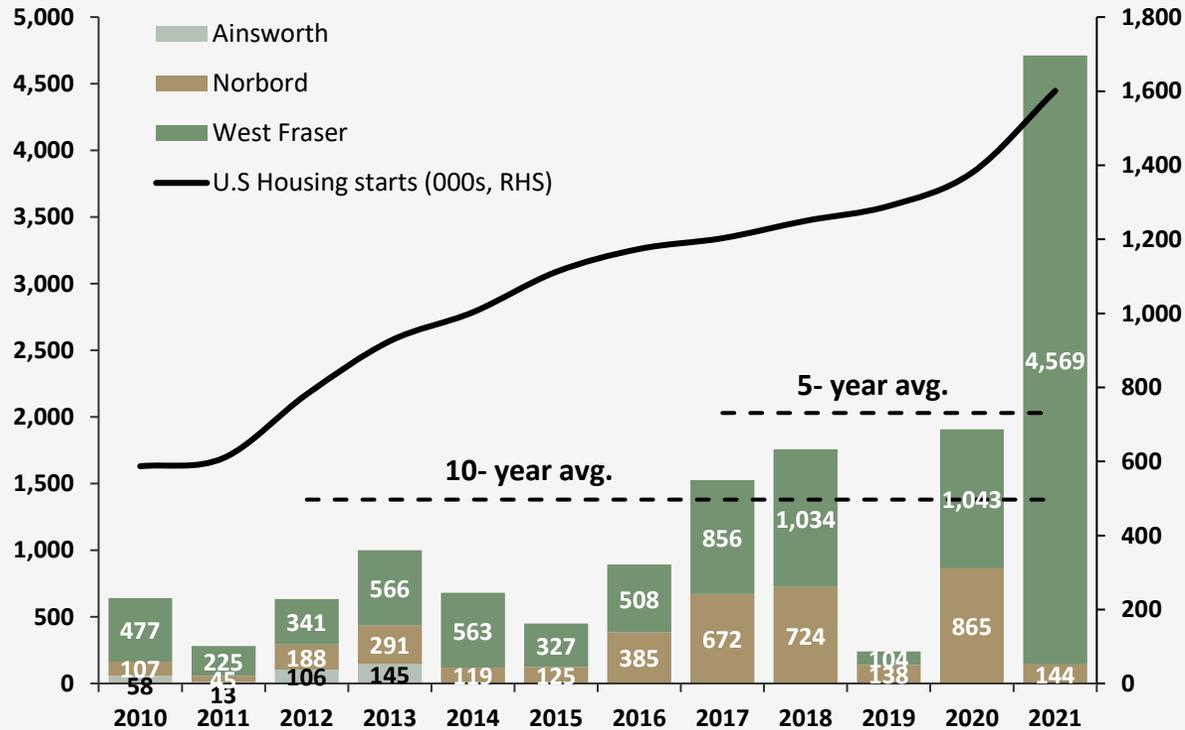
**OSB substitution of imported plywood remains a meaningful EU growth opportunity**

\* 2021 includes proforma Q1 2021 Norbord EU results and includes \$7M PPA inventory adjustment.

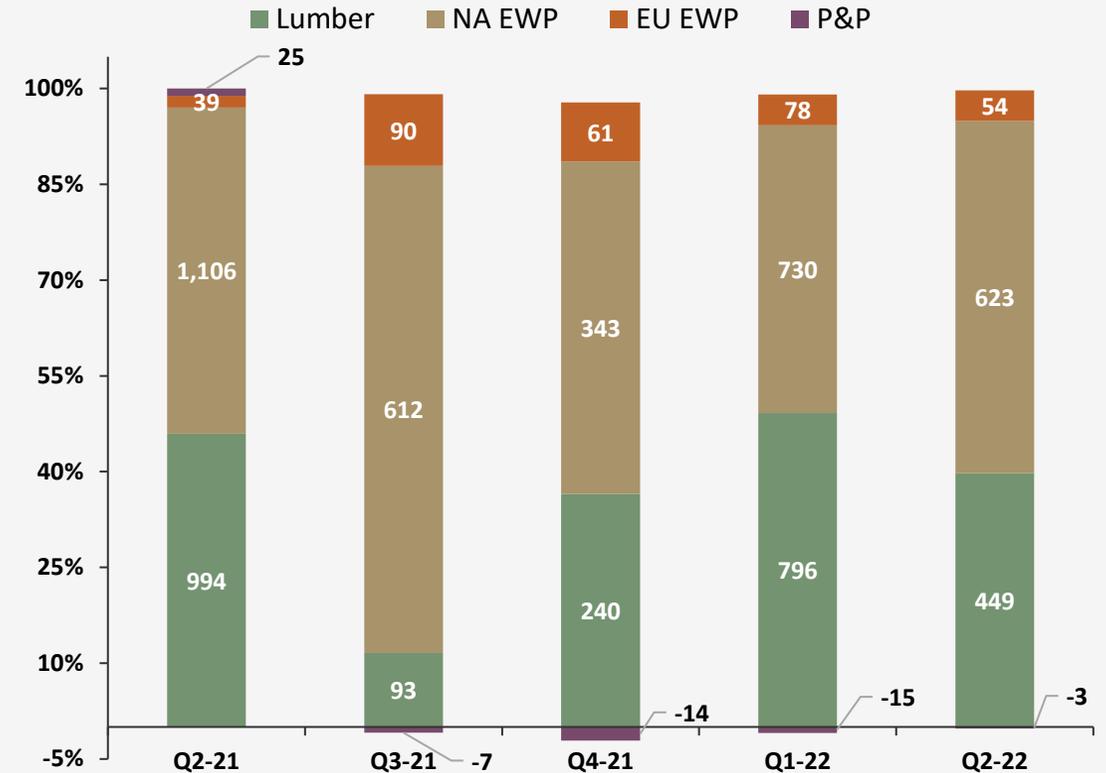


# Historic Adjusted EBITDA

Proforma Historical Combined Adj EBITDA (US\$ millions)



Segment Adj EBITDA Mix (US\$ millions, excl. Corporate)



Source: U.S. Census Bureau, West Fraser, Norbord filings

**Substantial Adjusted EBITDA generation through the cycle with demonstrated differences in cyclicity across the segments**

Note: Excludes the proforma effect for the acquisition of 11 sawmills between 2010 and 2017 by West Fraser.

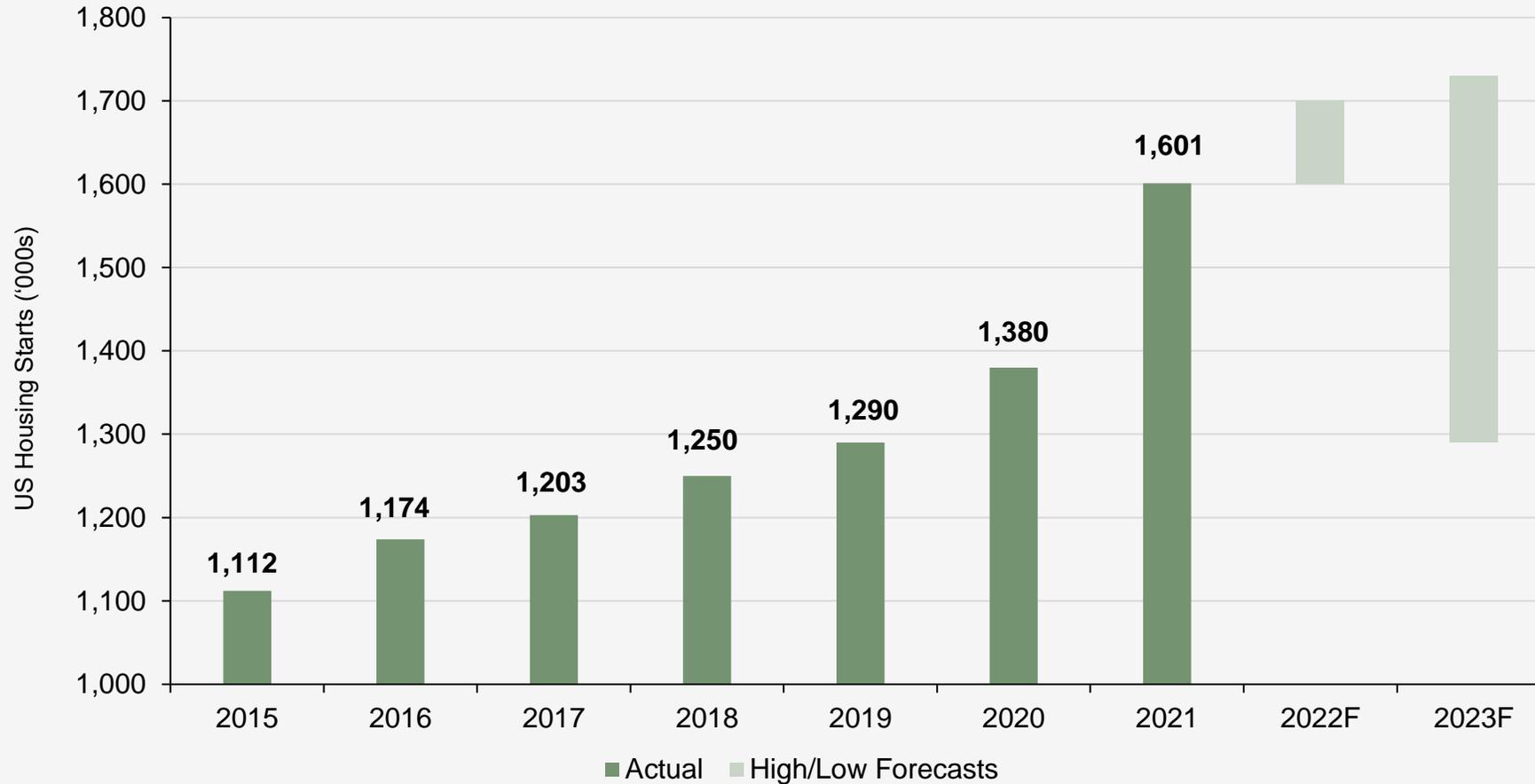


# Serving Markets with Attractive Fundamentals

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# U.S. Housing Start Estimates (Thousands)



Source: U.S. Census Bureau, industry analysts

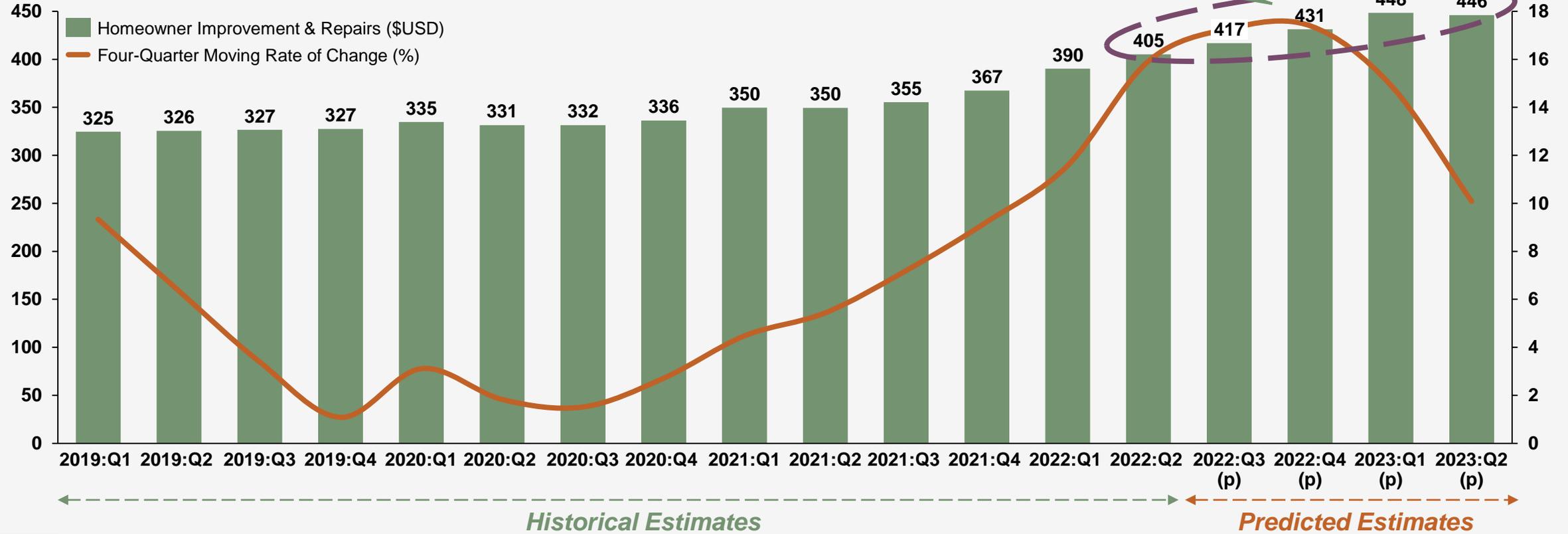
***Industry analysts expect further growth in U.S. housing starts in 2022, though forecasts are divergent for 2023***





# U.S. Leading Indicator of Remodeling Activity

Homeowner Improvements & Repairs  
Four-Quarter Moving Totals  
Billions (\$USD)



Source: Joint Center for Housing Studies of Harvard University. Accessed July 2022.

**Demand from housing repair and remodeling is predicted to remain elevated into 2023**

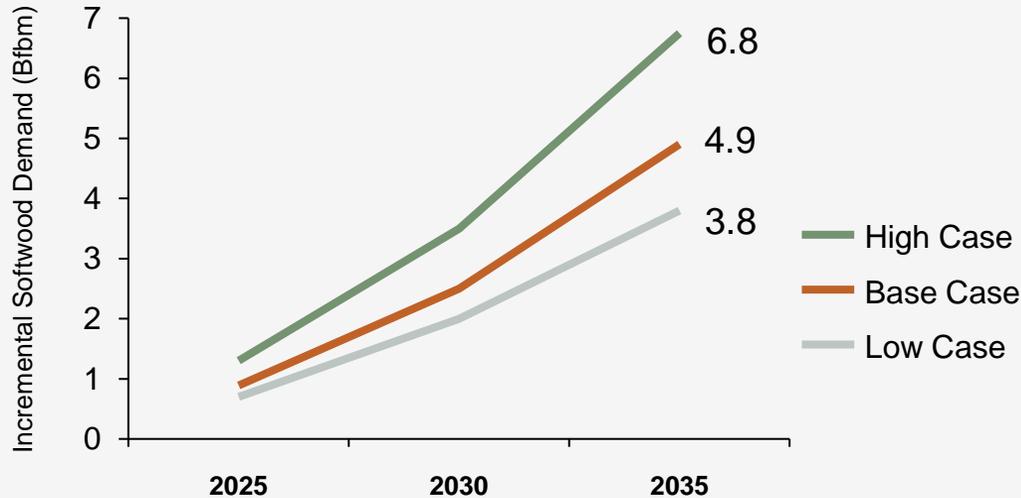




# Mass Timber – Another Driver of Sustainable Wood Product Demand

U.S. incremental lumber demand from mass timber is projected to be between 3.77 – 6.75 Billion Board Feet (Bfbm) by 2035, representing the equivalent demand of ~315k – 560k additional new housing starts\*

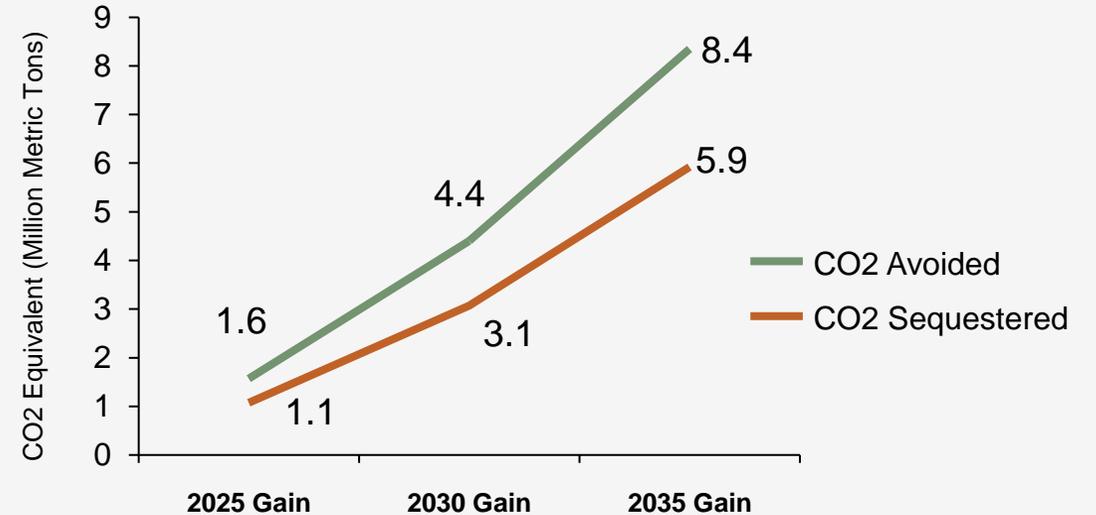
### Mass Timber - U.S. Incremental Lumber Demand



- Between 2025 and 2035, mass timber is forecast to drive **~3.8 – 6.8 Bfbm** of additional lumber demand in N.A.

Source: SLB Mass Timber Demand Outlook, 2020 FP Innovations, 10/20

### Mass Timber (Base Case) – Carbon Sequestration Projections



- Using the base case of 4.9 Bfbm of incremental lumber demand, this represents **~8.4 MM tonnes of CO2 avoided** and **~5.9 MM tonnes of CO2 sequestered** from mass timber

Source: SLB Mass Timber Demand Outlook; WoodWorks Carbon Calculator Documentation



## Mass timber to provide longer-term vector of demand growth

\* Note: Assumes 70%/30% single family (SF)/multi-family (MF) mix and 15,000/5,000 bfm of lumber consumed per SF/MF house.



# Lumber and OSB Supply Overview

## Lumber

- Aggregate North American production growth constrained by log availability, particularly B.C.
- U.S. South is region with most potential for production growth, though contractor and equipment availability is constrained
- Economics of investing in additional capacity have been challenged by a moderate and extended recovery in housing starts since global financial crisis
- Notwithstanding these challenges, West Fraser completed its Opelika, Alabama expansion in 2020, is expanding production capacity at its Dudley, Georgia mill and ramping production at its recently acquired Angelina, Texas mill



## OSB

- It is an estimated three- to five-year process to construct a greenfield OSB mill, followed by an 18-24 month ramp to full production
- Capital requirements are significant for a large-scale greenfield OSB mill, making economics of investing in additional capacity challenging
- In 2020, to address increased customer demand, West Fraser announced the restart of its OSB mill in Chambord, Quebec
- In 2021, West Fraser acquired the idled OSB mill near Allendale, South Carolina and is undertaking capital investment to ready the mill for an eventual restart.



# Illustrative Ecosystem of U.S. South Lumber Mill

*By building a new sawmill adjacent to an existing mill we are able to utilize existing infrastructure and skilled labour, enabling a faster ramp-up while reducing financial, operational and execution risks*

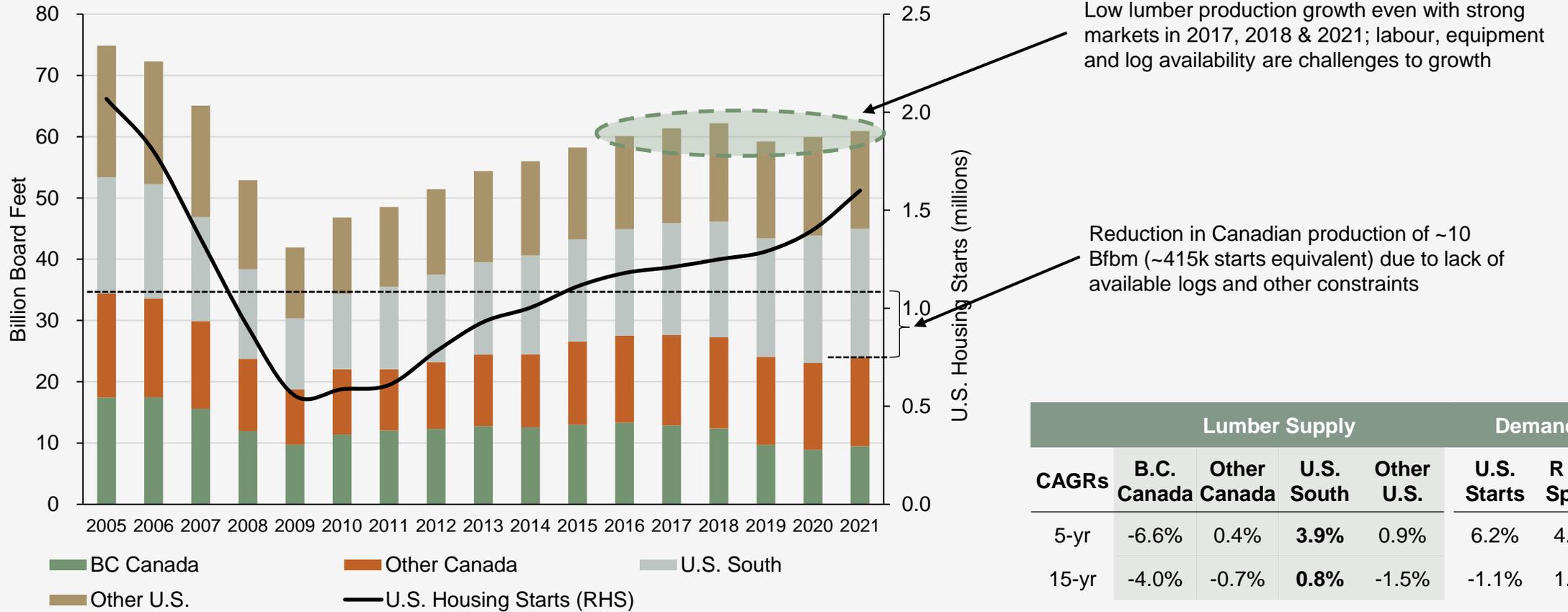
## Approximate resources for 250 MMfbm U.S. south mill:

- 130-140 employees
- 1MM tons of logs
- 40k logging truck loads
- 400-500k tons of residuals
- 16-20k residual truck loads
- 25-30k finished goods truck loads





# This is not 2005 – Today’s North American Lumber Supply



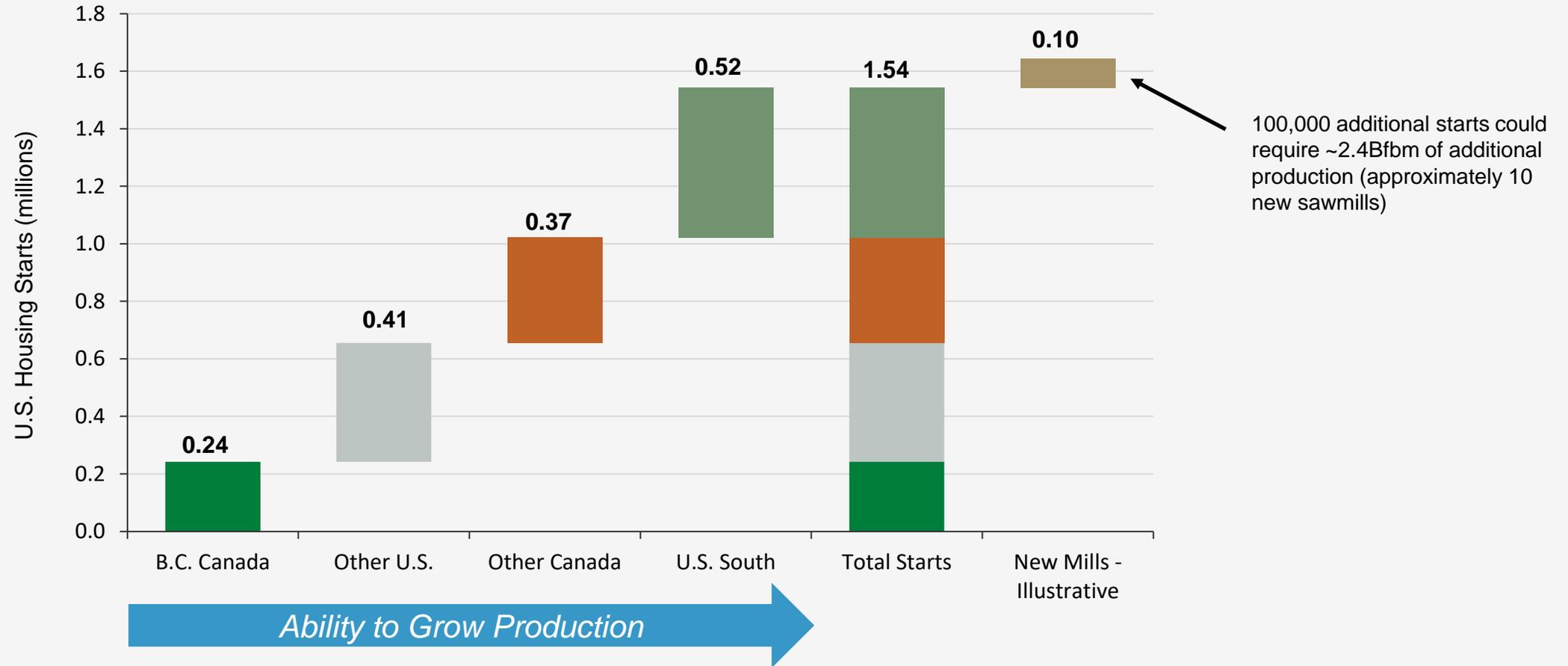
Source: FEA, West Fraser estimates



*Canadian available supply ~10 Bfbm lower than in 2005*



# North American Lumber Production in 2021 Housing Starts Equivalent\*



Source: FEA, NAHB, West Fraser estimates

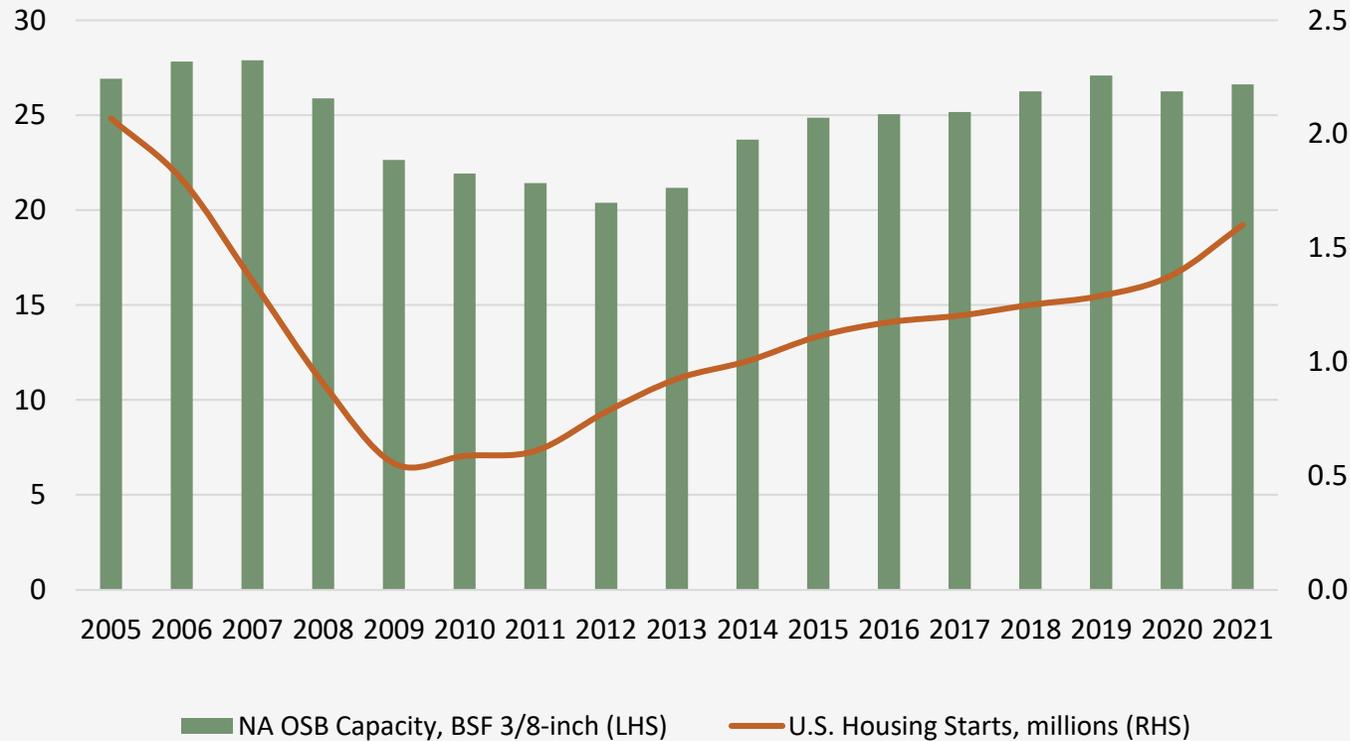
**North American lumber production is currently sized for ~1.5 million U.S. housing starts**

\* Note: Assumes 50% of incremental production is of grades suitable for new home construction with 70%/30% single family (SF)/multi-family (MF) mix and 15,000/5,000 fbm of lumber consumed per SF/MF house.



# North American OSB Operating Capacity\*

### OSB Operating Capacity and U.S. Housing Starts



Source: FEA, West Fraser analysis

- Some industry capacity curtailed in late 2019 has re-started while some remains idled; one mill was permanently closed in 2020
- West Fraser re-started its OSB mill in Chambord, Quebec in March 2021
- The Chambord mill is ramping towards its stated annual OSB capacity of 550MMSF (3/8" basis), which is expected to take 18-24 months
- West Fraser acquired the idled Allendale, South Carolina mill in 2021 and expects to invest in the mill for an eventual restart; the mill has estimated stated annual OSB capacity of 760MMSF (3/8" basis)
- Debottlenecking and other strategic projects are expected to add incremental production to select mills within West Fraser's OSB mill portfolio

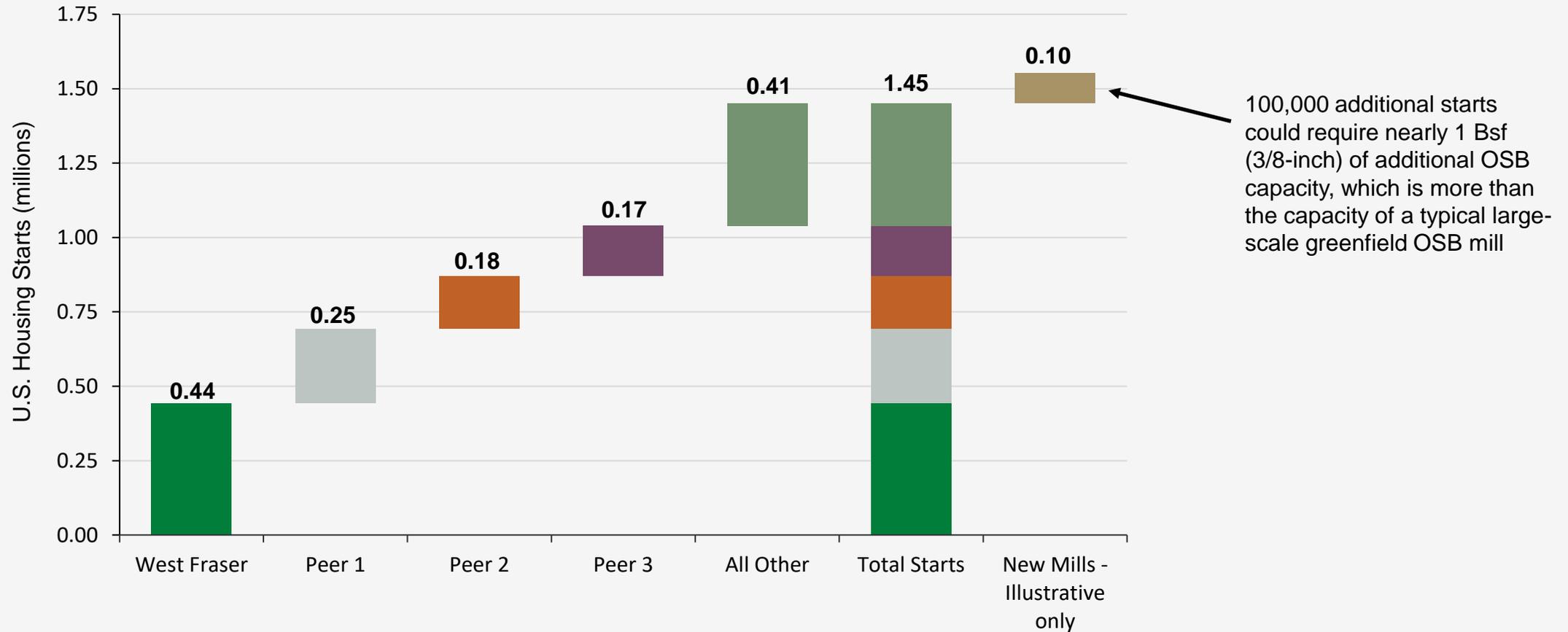


***All but one West Fraser OSB mill (Allendale) currently operating***

\* Note: Operating capacity above reflects the nameplate capacity of mills that are in operation as well as West Fraser's Allendale OSB mill, which is undergoing investment for future operation.



# North American OSB Capacity in 2021 Housing Starts Equivalent\*



Source: FEA, NAHB, West Fraser analysis

**North American OSB capacity is currently sized for ~1.5 million U.S. housing starts**

\* Note: Analysis includes full capacities from West Fraser's Chambord, Quebec mill and the currently idled Allendale, South Carolina mill. Assumes 50% of N.A. OSB production is for new home construction with 70%/30% single family (SF)/multi-family (MF) mix, 11,000/3,667 sf (3/8") of OSB consumed per SF/MF house and 96% operating rates; 100% of greenfield production assumed to be allocated to new home construction.



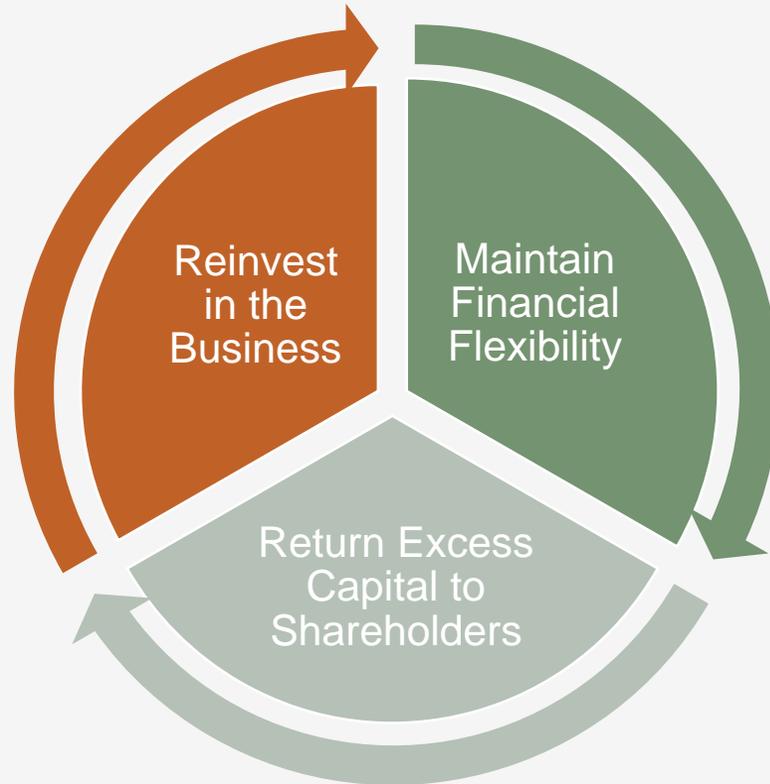
# Disciplined and Balanced Allocator of Capital

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# Capital Allocation Priorities

- Replace end-of-life assets
- Maintain low-cost position
- Strategically enhance product mix, productivity and capacity



- Maintain investment-grade rating
- Maintain cash buffer to aid the pursuit of opportunistic M&A and larger-scale strategic growth initiatives

- Repurchase shares when they trade at a discount to estimated intrinsic value
- Pay a stable, sustainable dividend

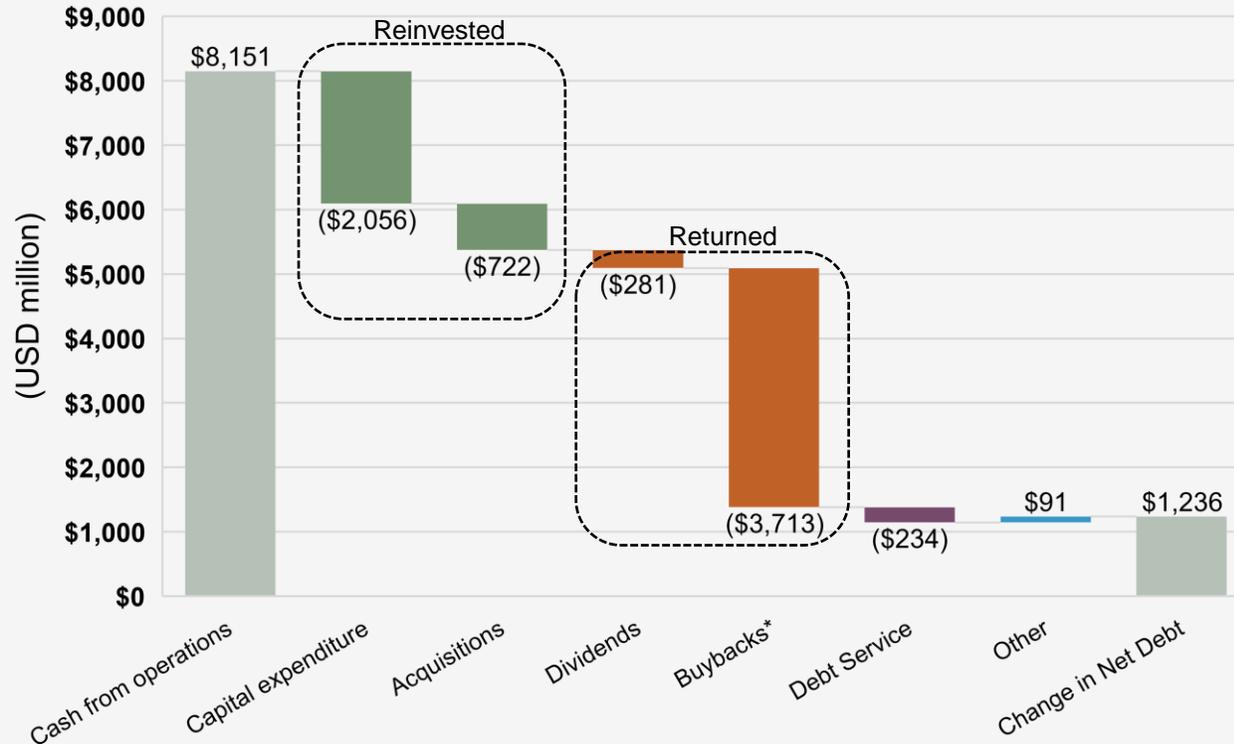




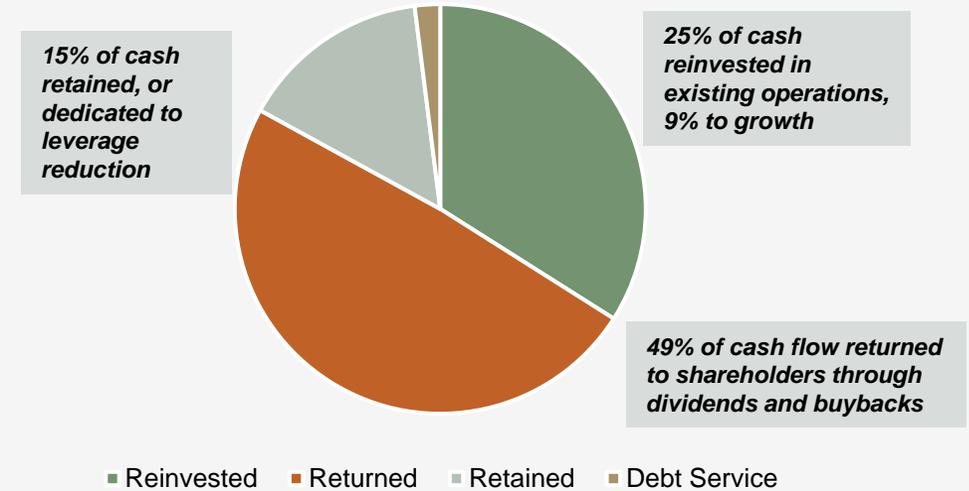
# Capital Allocation Lookback

- Multi year history of cash flow generation is strong
- Significant investments in maintaining, expanding and improving the business at ~34% of cash generated
- Excess capital returned to shareholders of ~49% of cash flow, heavily weighted to buybacks, influenced by the SIBs

### 2016 through Q2-2022, including two SIBs (2021 & 2022)



### Balanced Capital Allocation

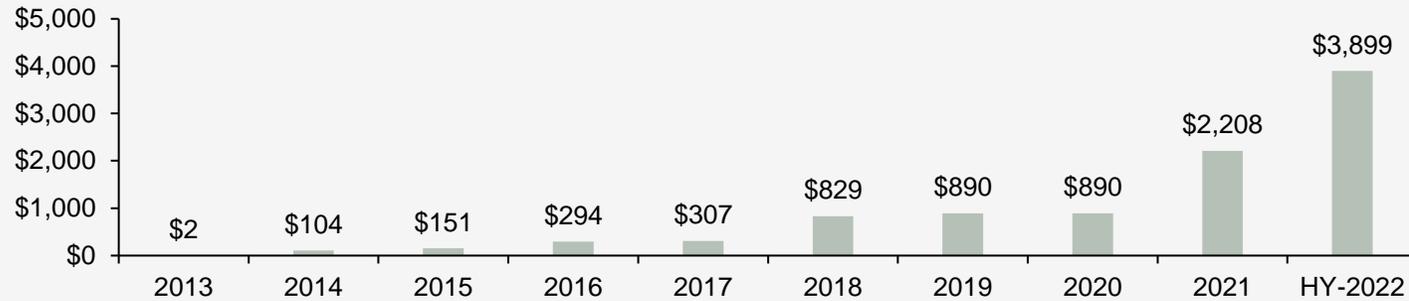


\* Net of share issuances

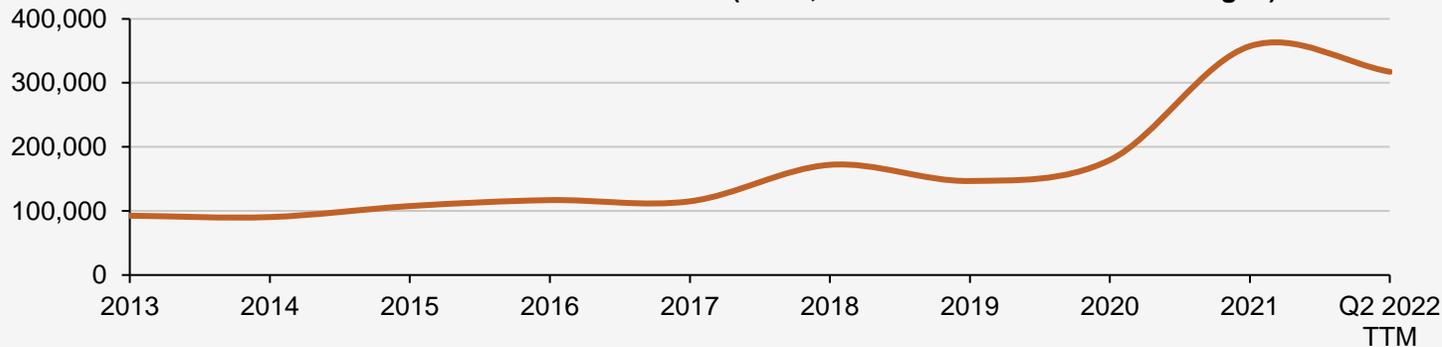


# Share Repurchases

### Cumulative Investment in Repurchases\* (US\$ million)



### Total Volume Traded ('000s, All Canadian and U.S. Exchanges)



Source: FactSet

### Average repurchase price (CAD\$):

2013	\$44.60
2014	\$51.86
2015	\$55.57
2016	\$44.06
2017	\$68.45
2018	\$83.13
2019	\$68.30
2020	N/A
2021	\$95.29
HY-2022	\$114.68



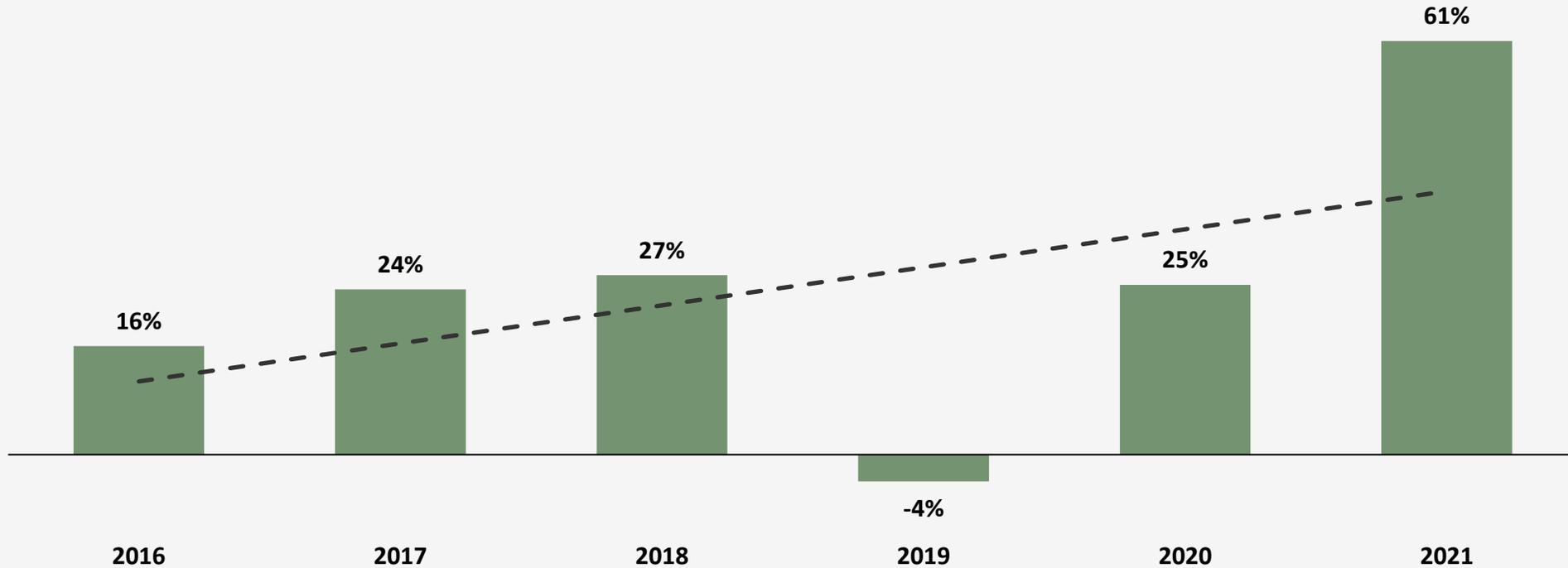
*Actively buying back shares, while trading liquidity has increased materially*

\* Cumulative investment in repurchases is calculated as the sum of all historical cash outflows for share repurchases.



# Macro Lookback on Capital Reinvested

## Return on Capital Employed (ROCE %)\*



Source: Bloomberg, West Fraser analysis



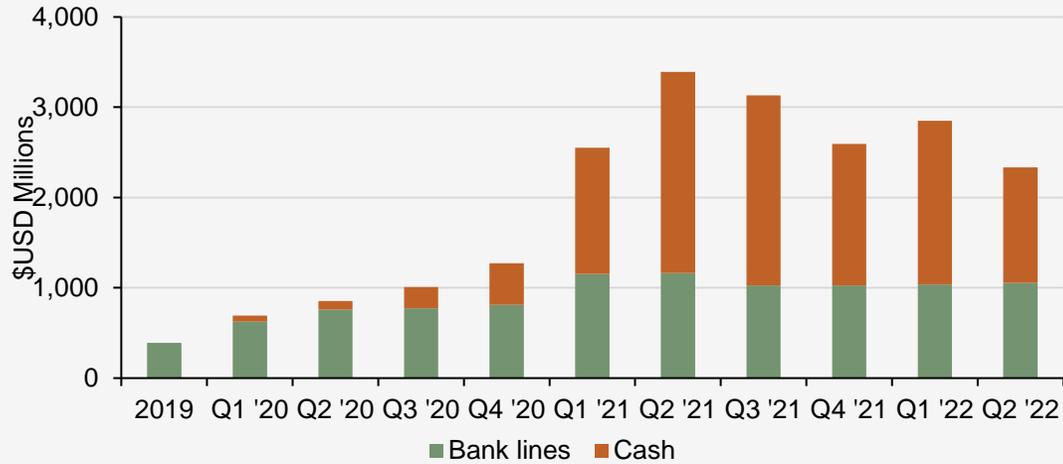
*Favorable ROCE trend and results*

\* Note: ROCE = GAAP EBIT / (Total Assets – Current Liabilities).

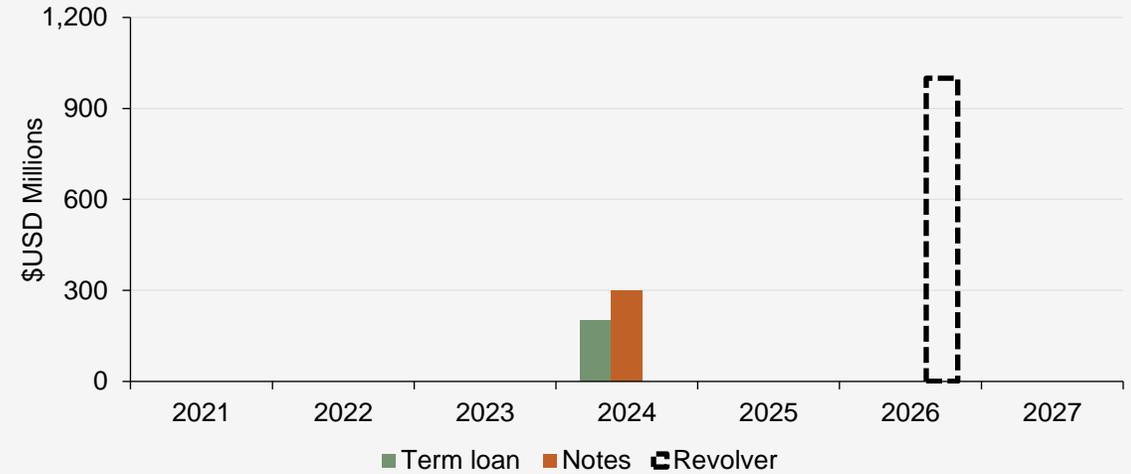


# Liquidity (\$millions)

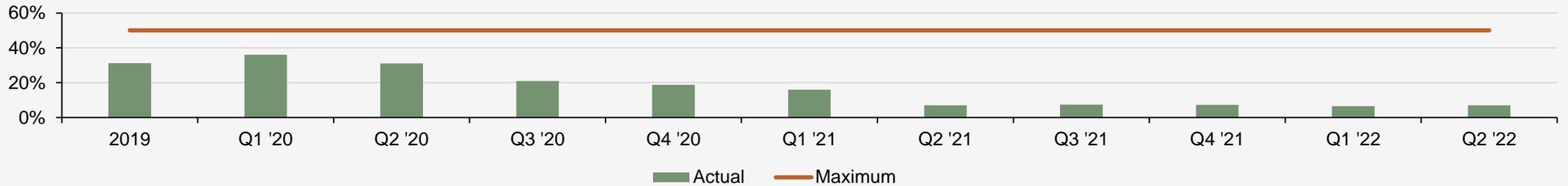
### Available Liquidity\*



### Scheduled Maturities



### Debt to Capitalization



**Strong balance sheet and liquidity support financial flexibility**

\* Available liquidity is a non-GAAP capital management measure calculated as the sum of cash and short-term investments and funds available under committed and uncommitted bank credit facilities. Note: Cash consists of cash and short-term investments less cheques issued in excess of funds on deposit.



# Scope, Scale and Expertise to Unlock Growth

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# West Fraser's Growth Strategy

- Our **objective** is to be the premier wood building products company in North America, resulting in long-term value creation.
- Our **strategy** to achieve this objective is to develop and maintain a highly disciplined organization relentlessly focused on **continuous improvement** in safety and productivity across all our operations.
- We will **continually invest in our people and our business** to achieve best-in-class productivity and returns that enable continued growth.



## WEST FRASER'S VALUES & BELIEFS

West Fraser makes renewable wood products for the world



### Our business strategy is simple:

- Low cost
- Reinvest profits
- Prudent balance sheet



### Our goals are to develop and maintain:

- **Excellence** in performance and people
- **Leadership** in our field
- **Challenge** & satisfaction
- **Responsibility** in communities in which we work
- **Profitability**
- **Growth**



# Acquisition Update – Allendale OSB Mill

## Overview

- Rebuild of mill front-end is ongoing; supply chain issues have delayed mill readiness date for an eventual re-start

## Progress

- Overall, pleased with progress of preparation for start-up, including staffing, with 25+ team members now on board

## Takeaways

- Inflationary pressures (primarily steel prices) have increased overall project costs approximately 10%
- Mill expected to be ready for an eventual re-start in Q1 2023 and to be a lower-cost mill in OSB portfolio



West Fraser Allendale OSB Mill – located in Fairfax, South Carolina, U.S.A.





# Acquisition Update – Angelina Sawmill

## Overview

- Startup production curve and earnings projections on pace to exceed first year expectations

## Progress

- First year production on track to exceed expectations by ~20%
- Year-to-date per unit manufacturing costs nearly 10% below base case

## Takeaways

- EBITDA since acquisition ~3x original base case forecast
- Better than expected performance and timing of tax deductions estimated to add 500+ bps to original ~13% IRR projection



West Fraser Angelina Sawmill – located in Lufkin, Texas, U.S.A.





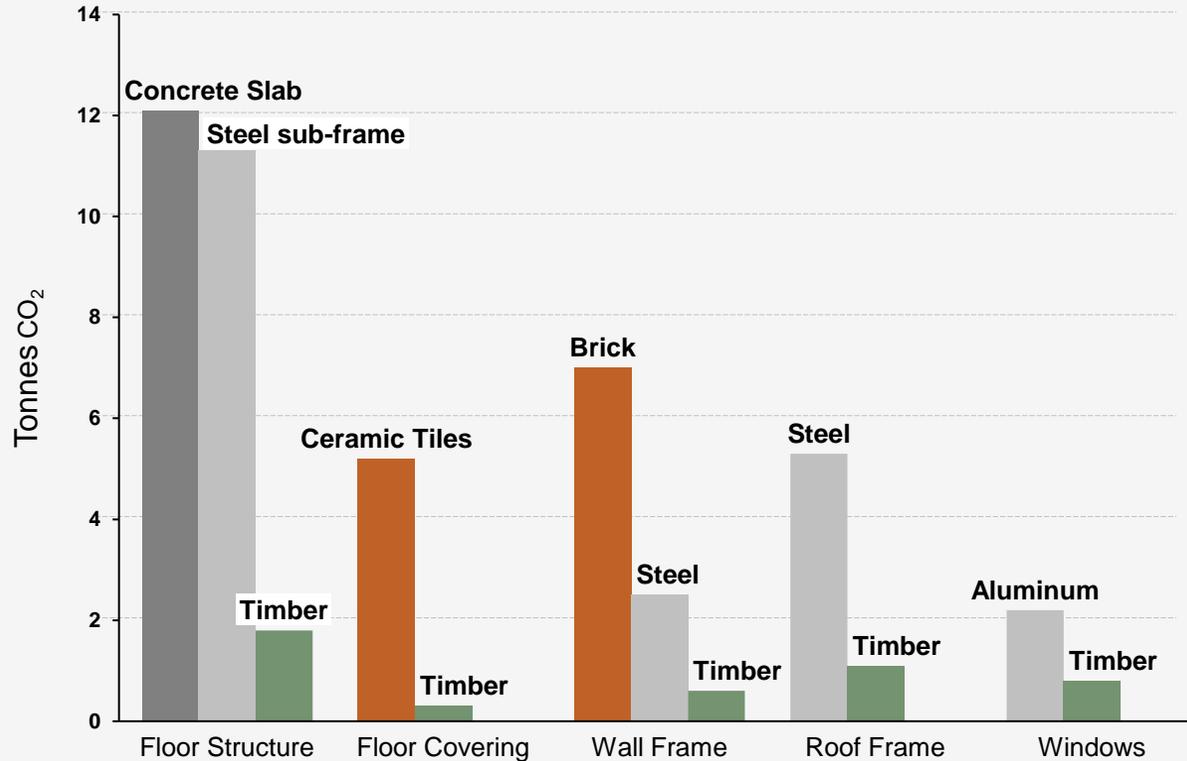
# Positioned to Benefit from Strong ESG Fundamentals

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# Building with Wood Offers Significant Environmental Benefits

Tonnes of CO<sub>2</sub> emissions emitted during the manufacture of various building materials for a single story house



Sources: InWood International Magazine, Issue 55, Feb-Mar 2004; Frontiers of Architectural Research, September 2013; West Fraser analysis.

*In Addition to Sequestering Carbon, Wood Product Manufacturing Has a Lighter Carbon Footprint*

- West Fraser is positioned to benefit from strong ESG fundamentals, including the role forest products play in storing carbon
- We strive to make sustainability more than just a statement – it is a central principle upon which our people operate
- The world needs sustainable, renewable building materials that sequester carbon in the fight against climate change
- Forest products are more important than ever as a truly natural solution and preferred choice for building in a low-carbon economy





# 2021 Sustainability Report



## 2021 Sustainability Report

Available at:

[westfraser.com/sustainability/sustainability-report](https://westfraser.com/sustainability/sustainability-report)



# Sustainability Report

Our 2021 Sustainability Report tells the story of a pivotal year of growth for West Fraser.



As a company founded over 65 years ago, we understand the importance, and necessity, of doing the right thing for the environment, our communities and our employees while sustainably and profitably growing our business



# 2021 ESG Highlights

## ENVIRONMENT

<p><b>&lt;1%</b> of our managed forest area harvested annually</p>	<p><b>2 billion</b> trees planted milestone reached in 2021</p>
<p><b>15.79 million tonnes</b> of carbon dioxide equivalent (CO<sub>2</sub>e) stored in 2021 production of harvested wood products</p>	<p><b>75%</b> renewable energy used</p>
<p><b>100%</b> of fibre is responsibly sourced</p>	<p>Set <b>science-based targets</b> to achieve material GHG reductions by 2030</p>
<p>Recognized with Sustainable Forestry Initiative® Leadership in Conservation Award</p>	

## SOCIAL

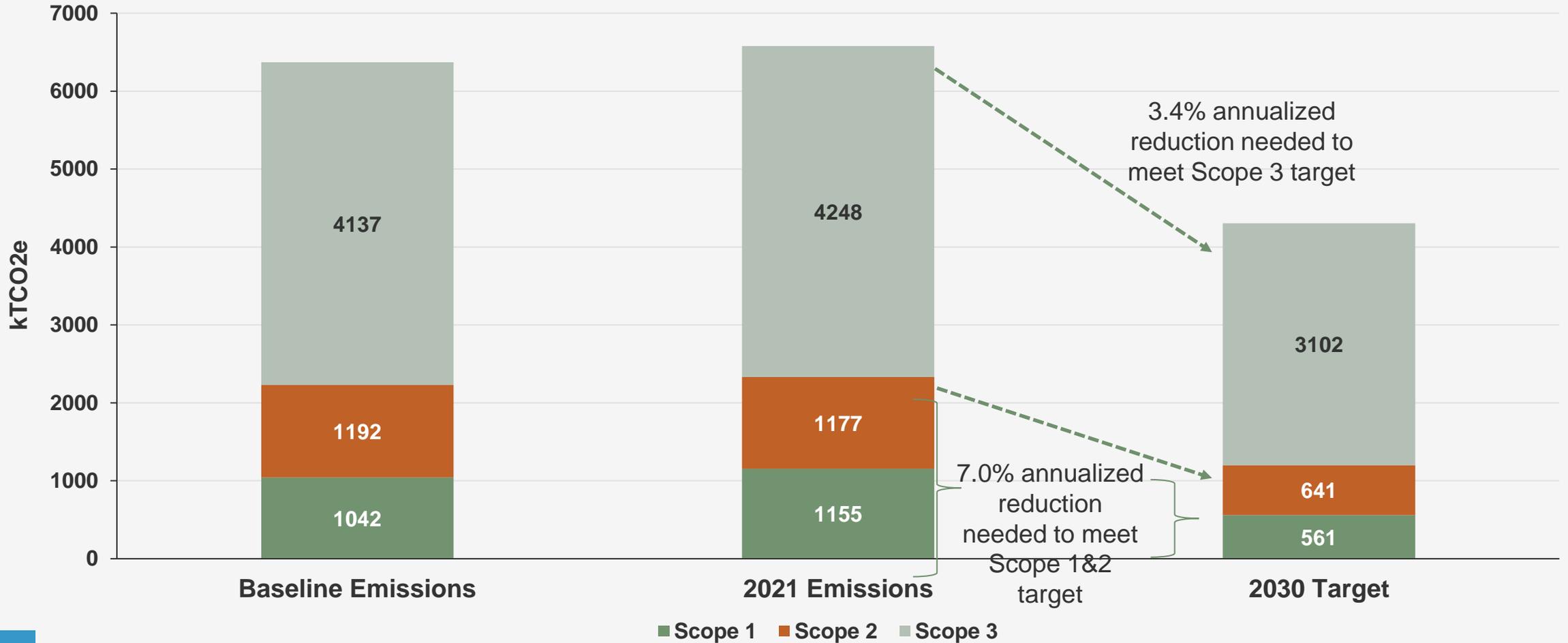
<p><b>23%</b> of employees self-identify as an underrepresented race or ethnicity</p>	<p>Reached a record low recordable injury rate of <b>1.69</b></p>
	
<p><b>35%</b> reduction in lost-time incidents from 2020</p>	<p>✓ Completion of safety perception survey</p>
<p><b>\$3.3 million</b> allocated through our community investment program</p>	<p>Committed to Progressive Aboriginal Relations (PAR) Certification</p>

## GOVERNANCE

<p>Increase in female Board of Directors representation from <b>20%</b> (2020) to <b>42%</b> (2021)</p>	
<p> Development of our Diversity, Equity &amp; Inclusion Policy</p>	<p> Defined our Indigenous Peoples' Policy</p>
	
<p> Invested in corporate sustainability oversight</p>	<p> Enhanced Whistleblower Policy</p>



# 2021 GHG Emissions & SBTi Targets



## 46%

### Reduction of Scope 1 & 2

\* 2019 base year

## 25%

### Reduction of Scope 3

\*2020 base year

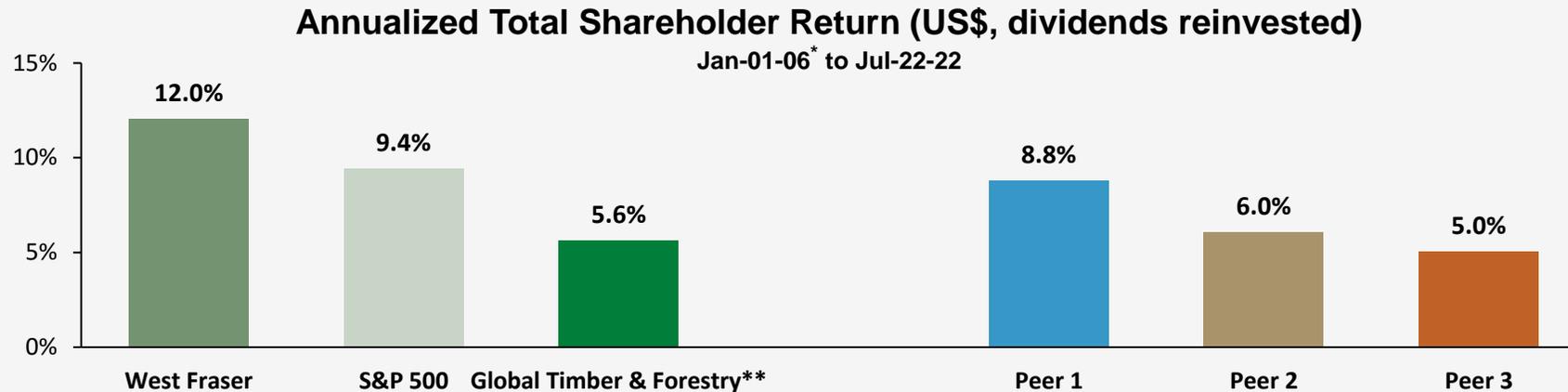
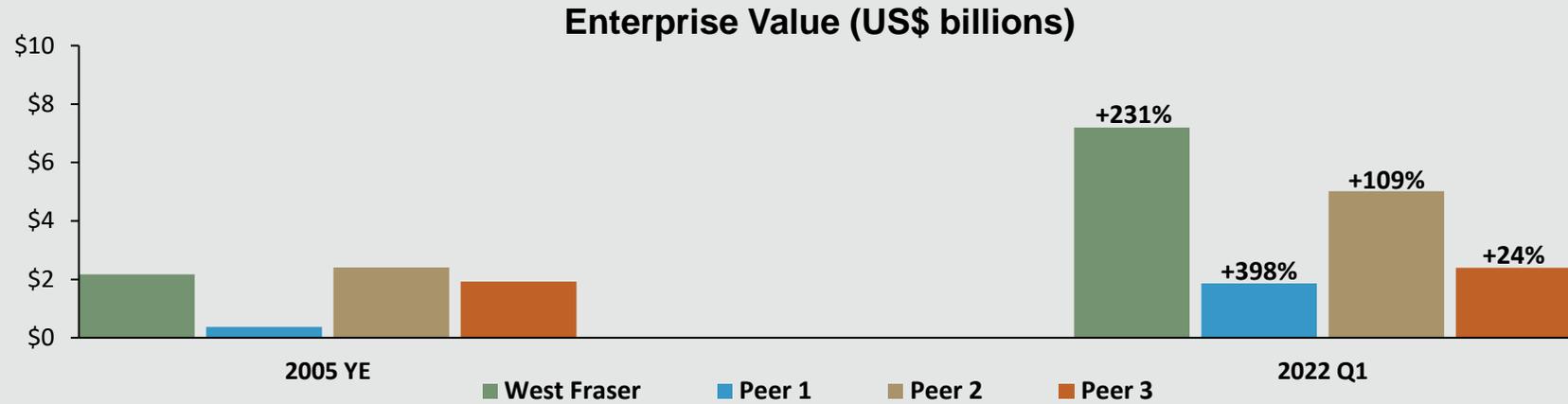


# Attractive Record of Creating Shareholder Value

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# Performance vs. Peers and Relevant Indices



Source: FactSet



*Attractive shareholder returns outperforming peers*

\* January 1, 2006 starting date selected as it approximates the peak of the last housing cycle in new construction.

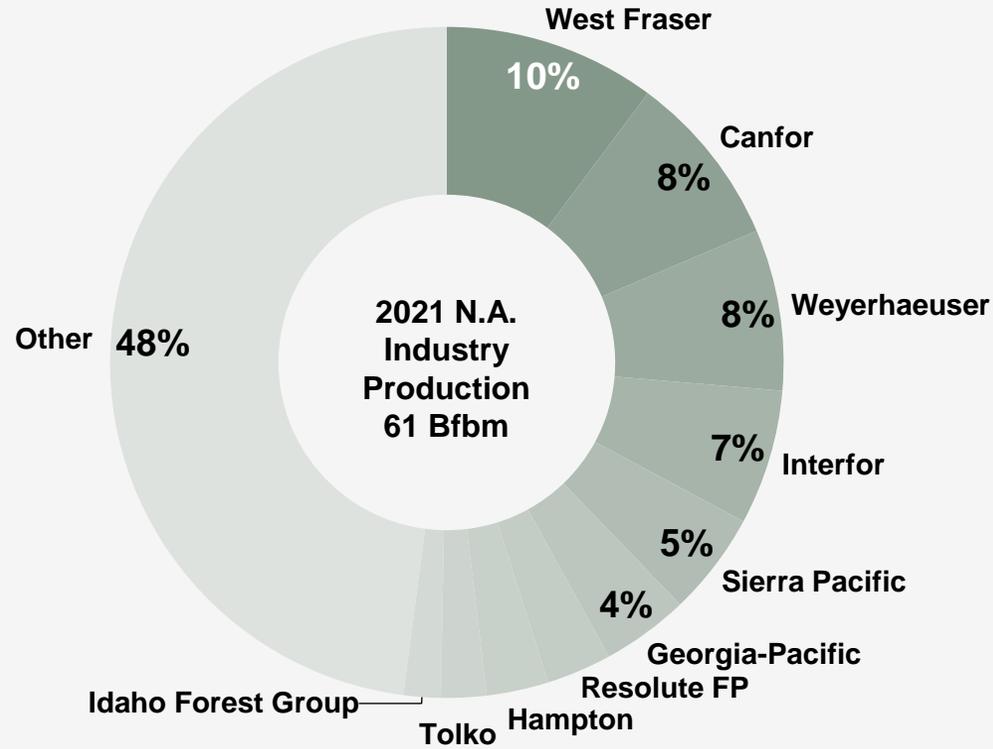
\*\* S&P Global Timber & Forestry Index (basket of 25 of the largest publicly-traded companies engaged in ownership, management or the supply chain of forests and timberlands, including makers of forest products, paper and paper packaging).

A photograph of a building under construction, showing the wooden framing and sheathing. The building is multi-story and has several rectangular openings for windows and doors. The sky is blue with some clouds. A large, semi-transparent blue geometric graphic, consisting of several overlapping shapes, is overlaid on the left side of the image. The word "Appendix" is written in white, bold, sans-serif font in the center-right of the image, with a white horizontal line underneath it.

# Appendix

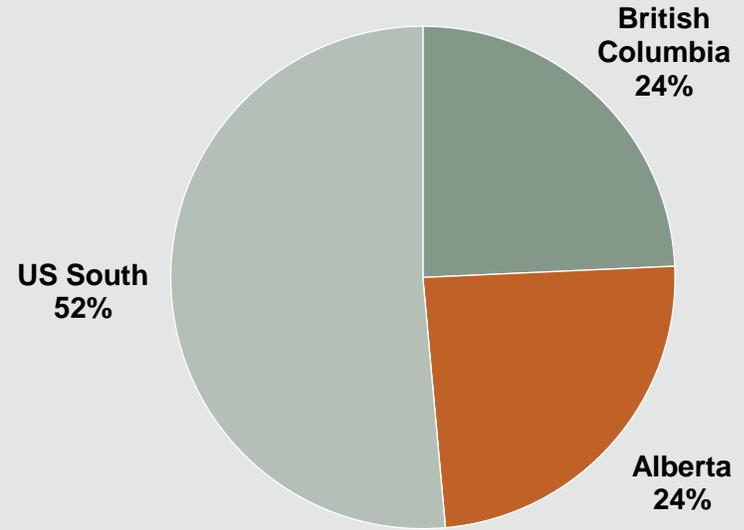


# West Fraser is North America's Largest Lumber Producer



Source: FEA, Public filings

## West Fraser 2021 Capacity 7.0 Billion feet



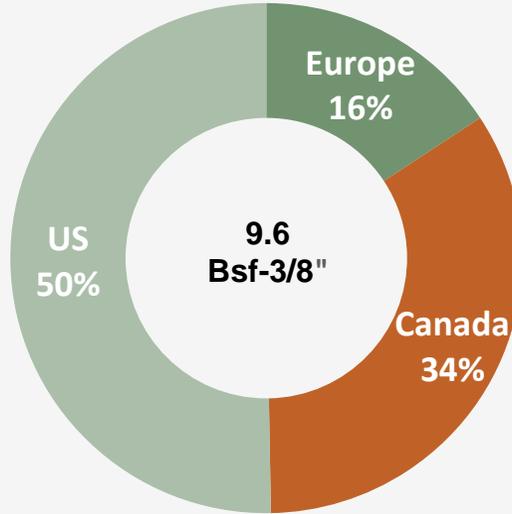
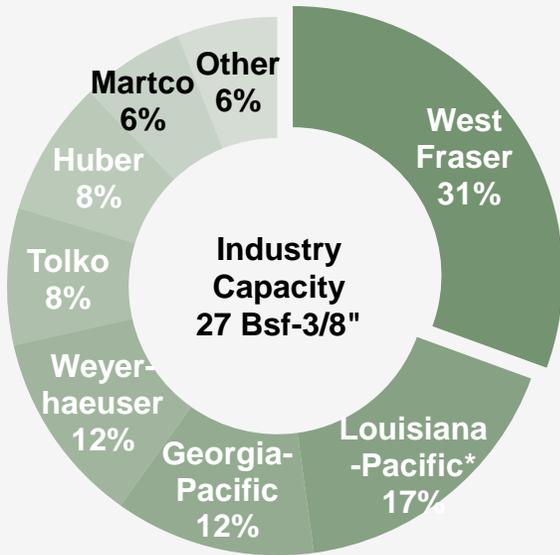
*Lumber capacity concentrated in low-cost timber regions*



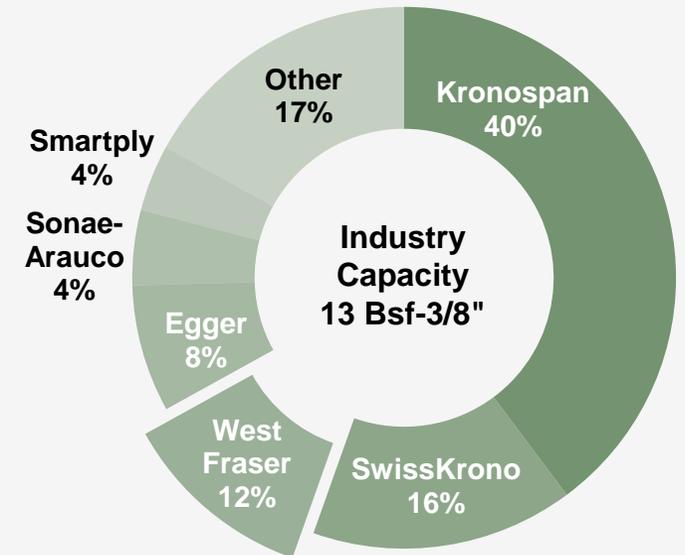
# West Fraser is a Leading OSB Producer

## West Fraser OSB Capacity by Region

### North American OSB Industry\*



### European OSB Industry

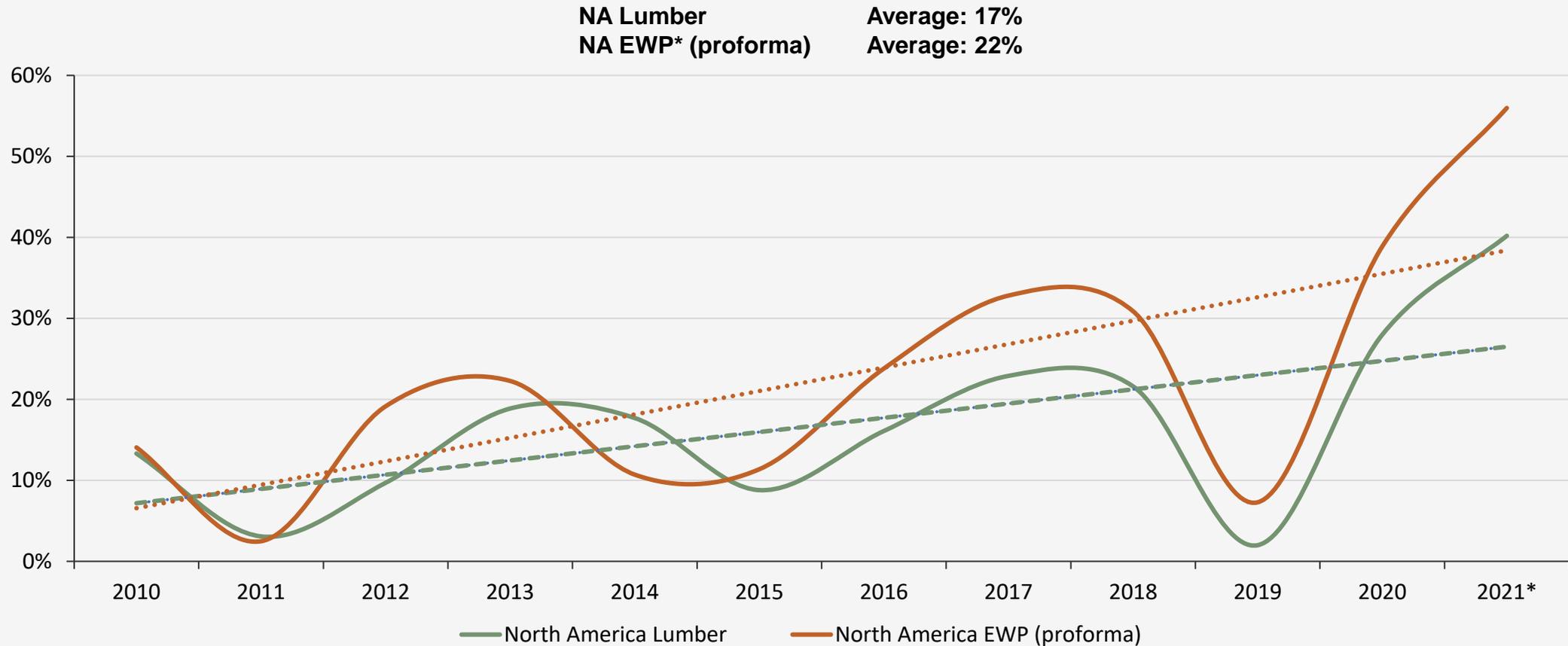


Source: Company documents and other public filings – stated capacities as at December 31, 2021, plus estimated stated capacity of currently idled Allendale mill.

\* Excluding OSB siding capacity.



# West Fraser North America Lumber and EWP Adjusted EBITDA Margin<sup>1</sup>



Note: Lumber adjusted EBITDA is after duties; North America EWP includes Norbord historic North American OSB results.

\* 2021 cost of products sold for EWP was increased and Adjusted EBITDA decreased by an \$86 million one-time charge related to inventory purchase price accounting, lowering 2021 adjusted EBITDA margin ~190 bps

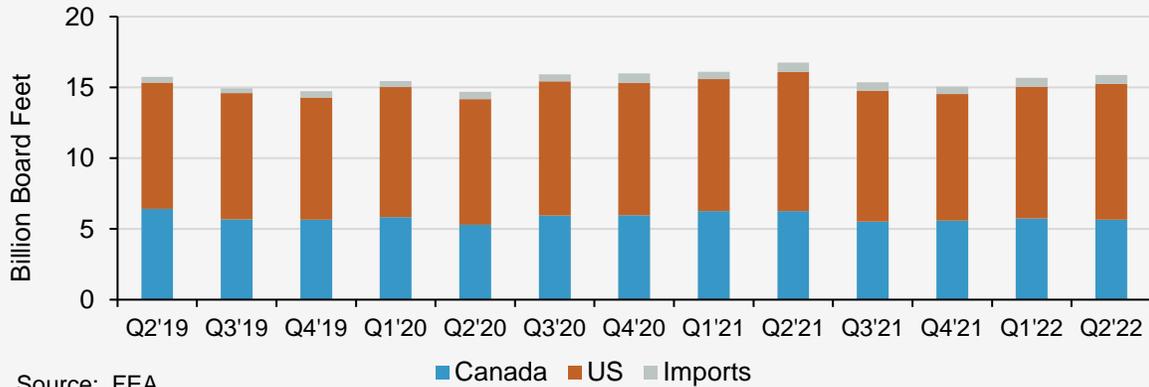
***Improving demand, capital and operational execution supporting margin gains***

<sup>1</sup> Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by sales. See the “Non-GAAP and Other Specified Financial Measures” section of our MD&A for more information on Adjusted EBITDA, including a reconciliation to the most directly comparable IFRS measure. We believe that disclosing this measure assists readers in measuring performance relative to other entities that operate in similar industries and understanding the ongoing cash generating potential of our business. EBITDA margin and Adjusted EBITDA are not standardized financial measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers.

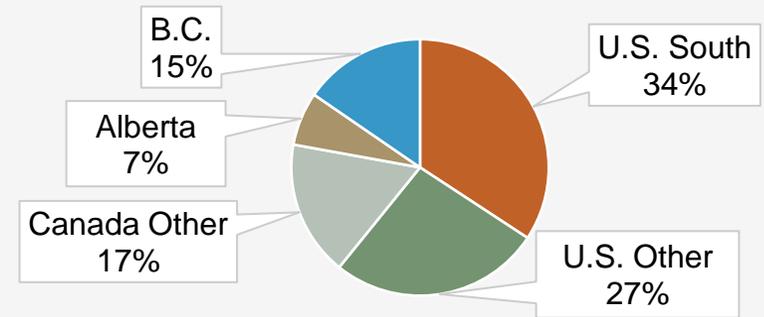


# Lumber Supply Conditions

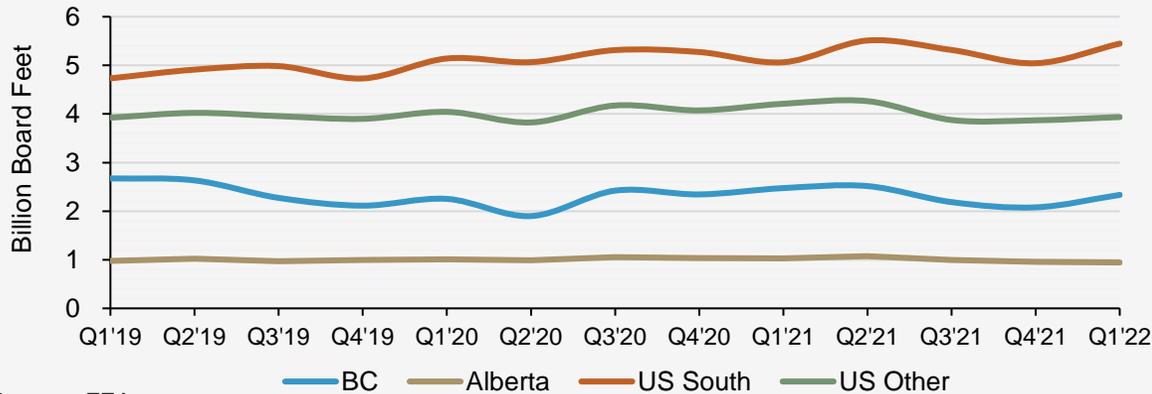
**Total North America Lumber Supply (Production)**



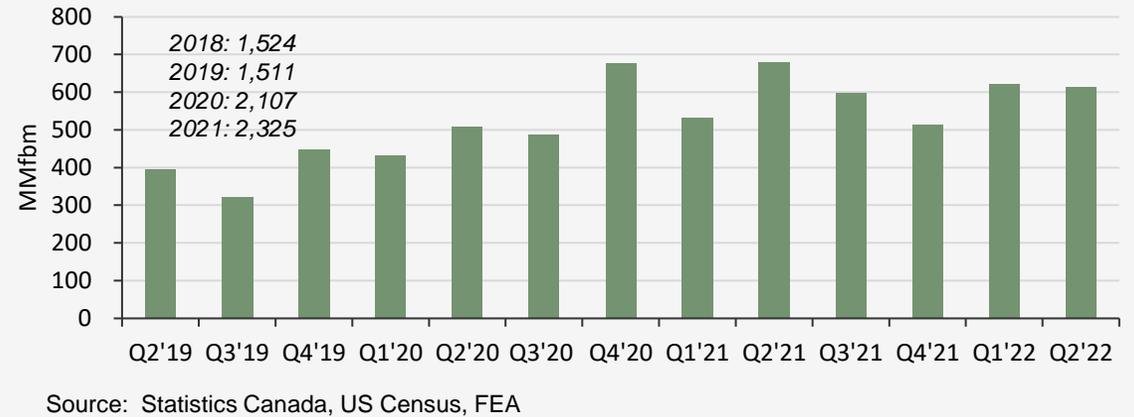
**North America Lumber Supply (Production) – 2021**



**North America Lumber Supply (Production)**



**North America Offshore Lumber Imports**

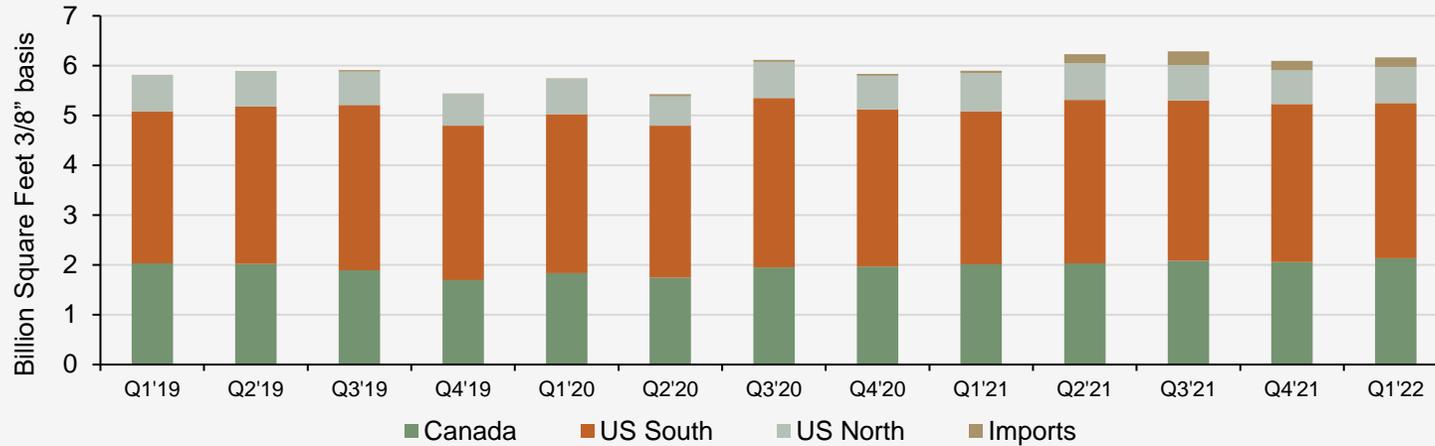


*Supply growth largely limited to US south where fiber is abundant*



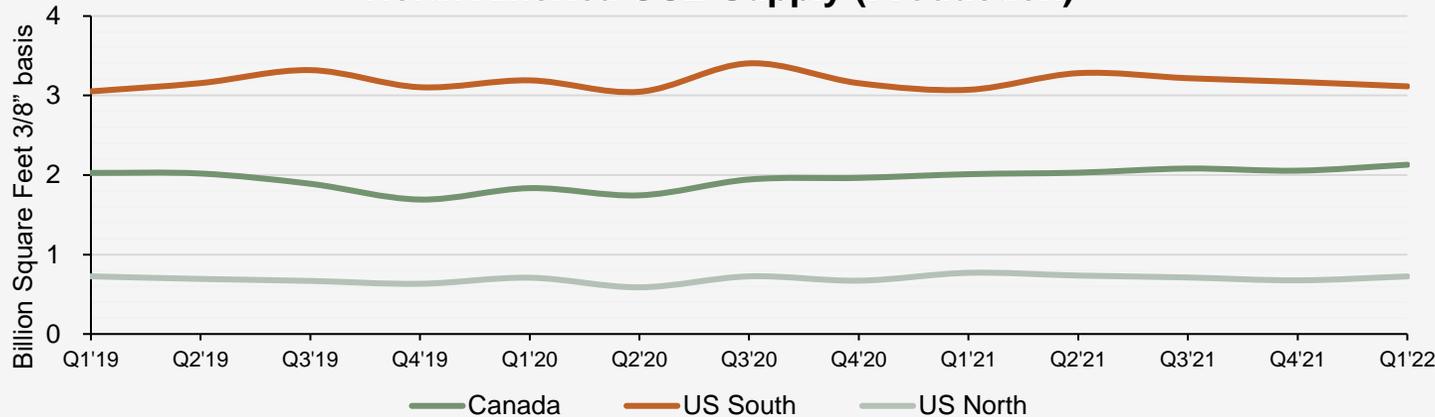
# OSB Supply Conditions

**Total North America OSB Supply (Production)**



Source: FEA

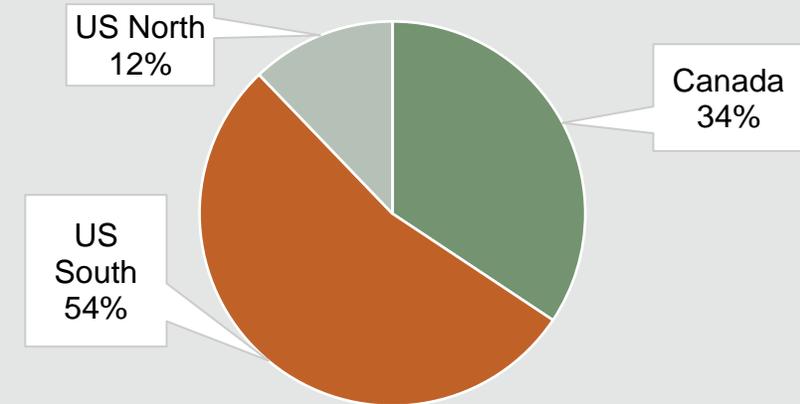
**North America OSB Supply (Production)**



Source: FEA

*Wood supply shortage led to permanent closure of one BC mill in 2020; two other mills re-started in 2021 (Quebec and B.C.) while one remains idled*

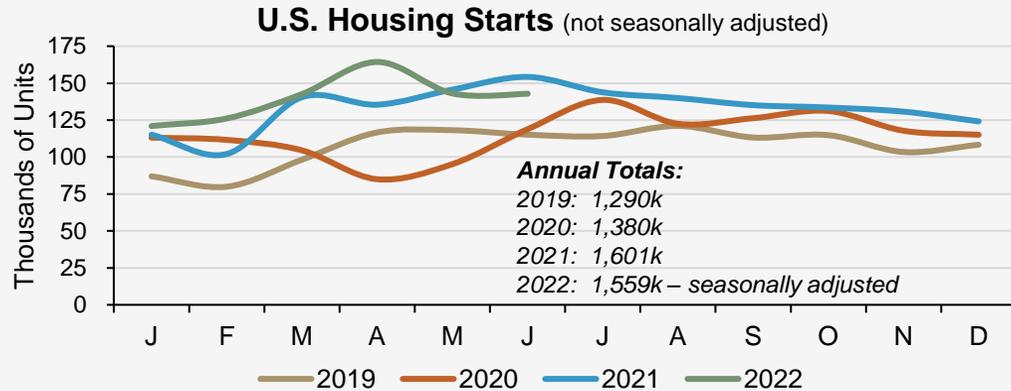
**North America OSB Supply (Production) - 2021**



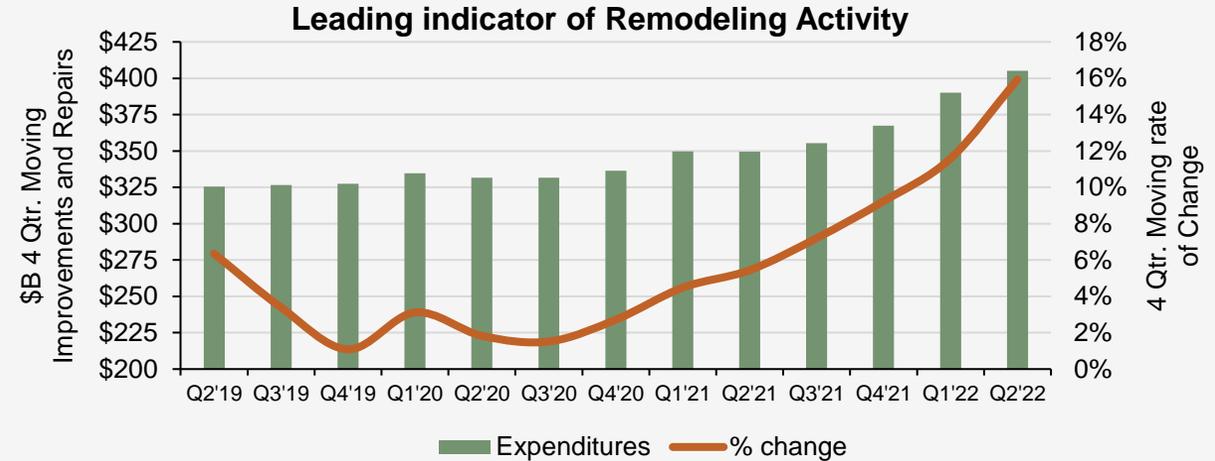
Source: FEA



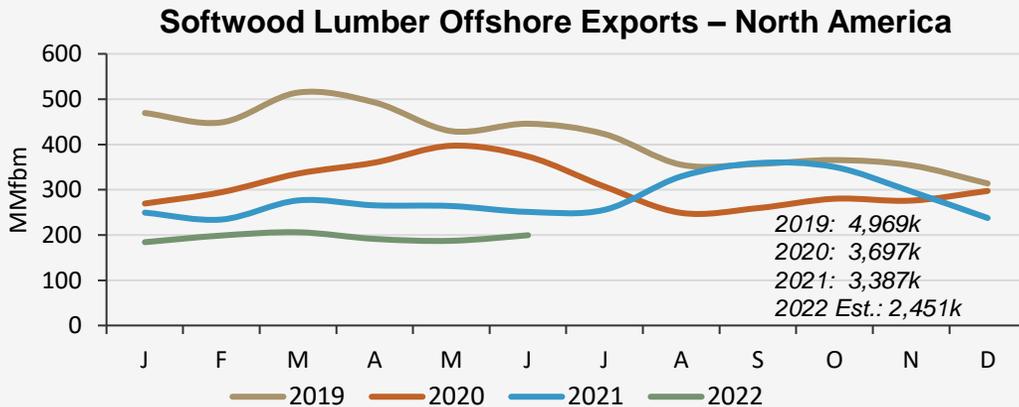
# Demand Conditions for Wood Building Products



Source: US Census Bureau



Source: Harvard Joint Centre for Housing Studies. Accessed July 2022.



Source: FEA, Statistics Canada, US Census Bureau

- Housing starts are near highest levels since 2006 supporting lumber, OSB, plywood, LVL and MDF demand
- Continued positive trend in repair and renovation demand growth, supported by an aging housing stock
- Relatively modest lumber shipments being directed outside of North American markets given strong domestic demand

**Market demand fundamentals remain strong for wood products**

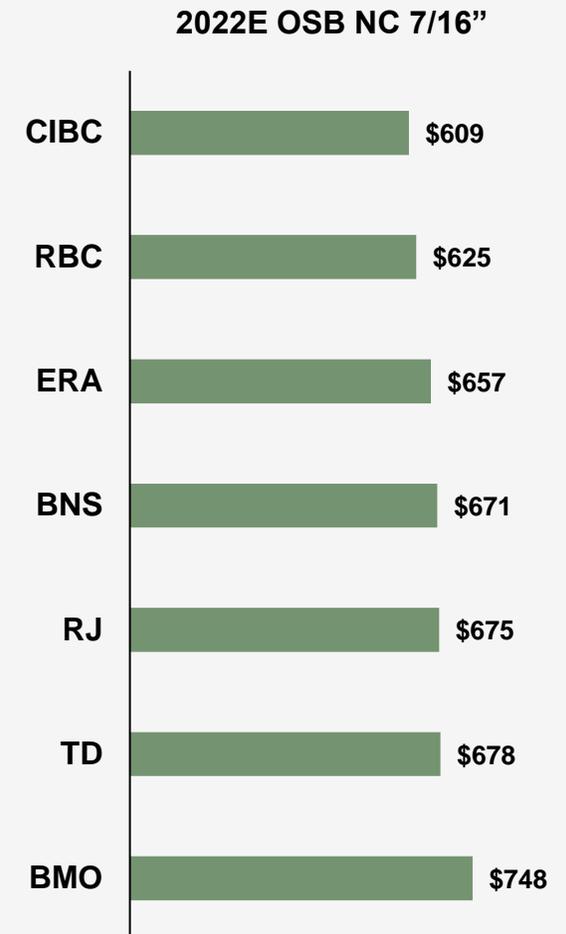
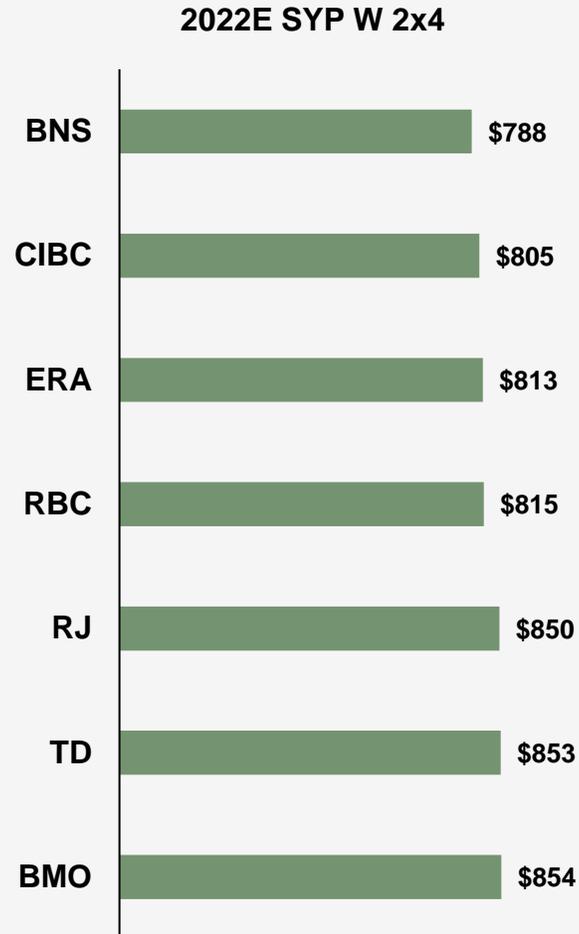
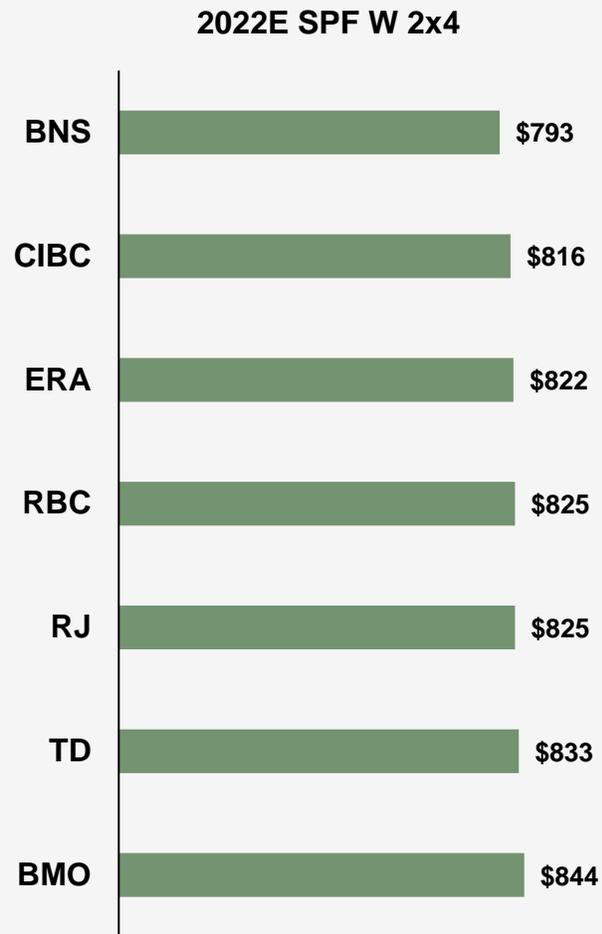


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<b>TD Securities</b>	Sean Steuart	(416) 308-3399 sean.steuart@tdsecurities.com



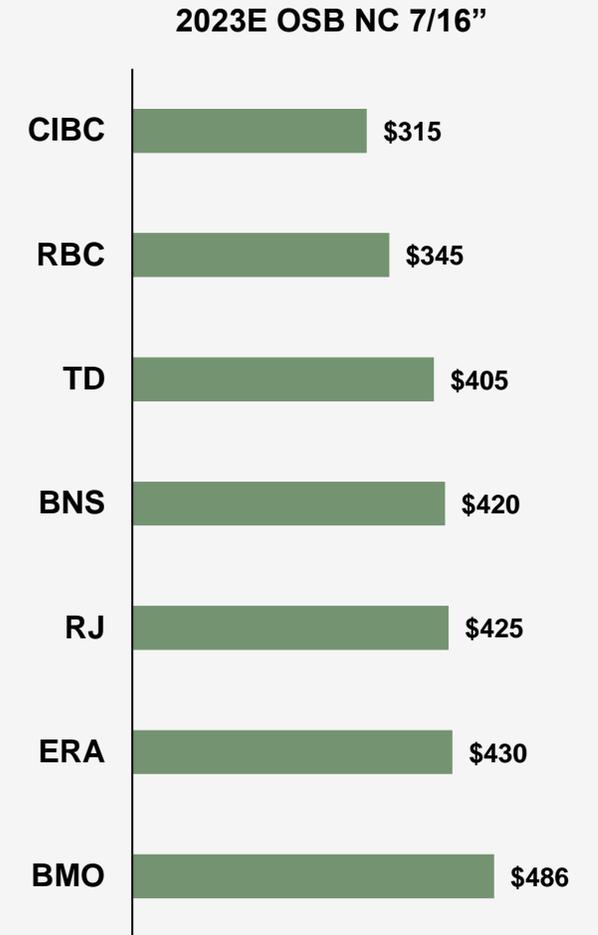
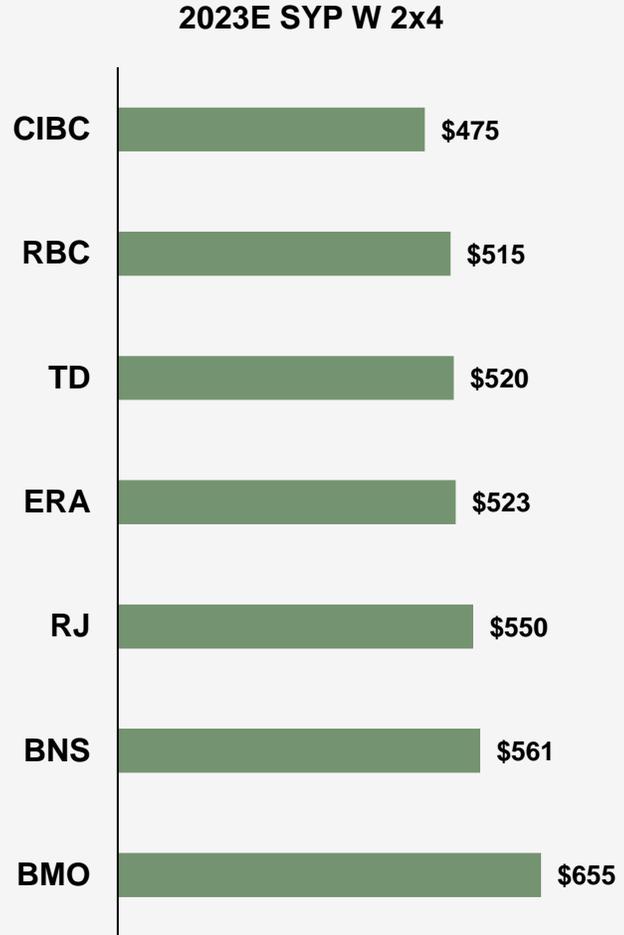
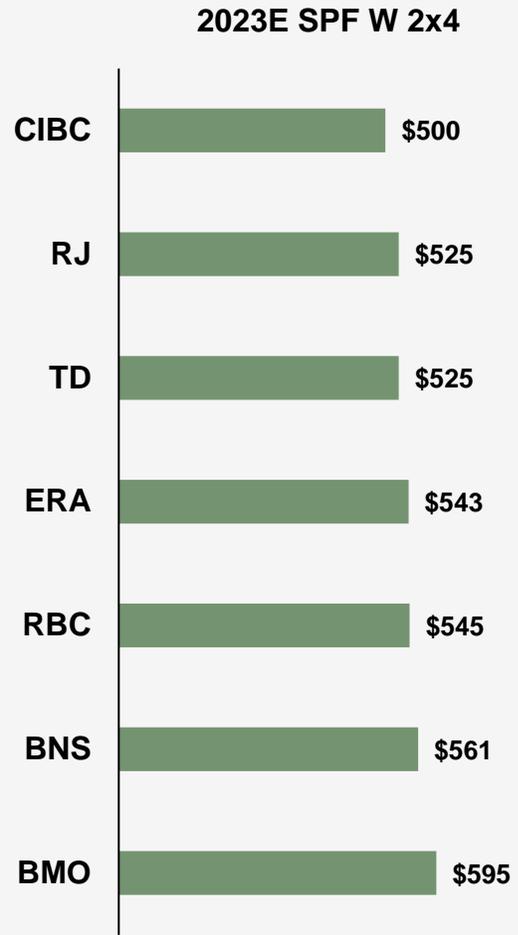
# Analyst Estimates – 2022 (SPF & SYP US\$/Mfbm; OSB US\$/Msf)



Source: Analyst reports as of July 26, 2022



# Analyst Estimates – 2023 (SPF & SYP US\$/Mfbm; OSB US\$/Msf)



Source: Analyst reports as of July 26, 2022



# Modeling EBITDA

## Estimated Earnings Sensitivity to Key Variables

(based on annual shipment volumes - \$ millions)

Factor	Variation	Change in pre-tax earnings <sup>1</sup>
Lumber price	\$10 (per Mfbm)	51
NA OSB price	\$10 (per Msf)	63
Europe OSB price	£10 (per Msf)	12
NBSK price	\$10 (per tonne)	3
BCTMP price	\$10 (per tonne)	6
U.S. / CAD \$ exchange rate <sup>2</sup>	\$0.01 (per \$ CAD)	15

Notes:

1. Each sensitivity has been calculated on the basis that all other variables remain constant and is based on changes in our realized sales prices.
2. Represents the impact on USD equivalent of net CAD revenues and expenses for the initial \$0.01 change. Additional changes are substantially, but not exactly, linear.

Source: West Fraser



# West Fraser Timber Co. Ltd.

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**WestFraser.com**





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**Currency:** In this presentation, all amounts are in U.S. dollars, unless otherwise indicated.

**Terminology:** References in this presentation to “MMfbm” or “mmfbm” mean million board feet, “Bfbm” mean billion board feet, “Bsf-3/8” mean billion square feet on a 3/8-inch basis, “SPF” means spruce-pine-fir and “SYP” means southern yellow pine. For any other technical terms used in this presentation, please see the Glossary of Industry Terms found in our most recent Annual Report.